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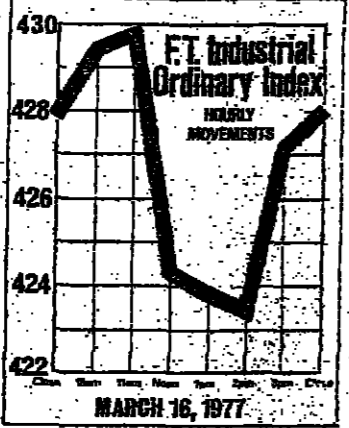
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NEWS SUMMARY

Lebanon Equities recover on strike offer

Equities rallied sharply on reports of the Leyland strikers' offer to return to work.



Lebanon Equities recover on strike offer

Oil rigging

STERLING gained 5 points to 161.7195; the index was unchanged at 62.

Healey predicts 13% inflation

Harov plea

Jacker seized

Wiley dies

Hospital blaze

Bank Monday

City

EF PRICE CHANGES YESTERDAY

Stocks in peace unless otherwise indicated

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Stocks in peace unless otherwise indicated

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Talks agreed if there is a return to work

Union clears way for end to Leyland toolroom strike

BY ALAN PIKE, LABOUR STAFF

The Amalgamated Union of Engineering Workers' executive last night responded positively to a peace offer from leaders of the 3,000 British Leyland toolroom strikers and prepared the way for an end to the strike which has brought the company to crisis point.

Leaders of the strikers, who are threatened with dismissal unless they return to work on Monday, announced after a meeting at Birmingham yesterday that they would call off the stoppage if the company publicly withdrew its dismissal threat.

U.S. bribes overseas may become criminal offence

BY JUREK MARTIN, U.S. EDITOR

THE CARTER Administration believes that corporate executives who pay bribes overseas should be liable to criminal prosecution for their actions.

It is preparing to draw up legislation to ban its executives from bribing officials in foreign countries and will ask foreign Governments to sign treaties embodying the principle of criminal sanctions.

This was disclosed in Congressional testimony, given yesterday by Mr. Michael Blumenthal, the Treasury Secretary.

It is a significant departure from the policies of the Ford Administration, which laid emphasis on voluntary disclosure of such offences, and more indirect means of international co-operation to stamp them out.

The United States should impose specific criminal penalties for such acts, Mr. Blumenthal said. He described corporate bribery as "morally repugnant" and "damaging to both our country and to a healthy world economic system."

Rowland and Goldsmith both move into newspaper business

BY OUR CITY STAFF

TWO OF Britain's more unconventional businessmen, Mr. R. W. "Tiny" Rowland and Sir James Goldsmith, announced today that they had taken over the newspaper business.

The major surprise is the decision by Lord Lomax, the group of which Mr. Rowland is chief executive, to buy 24 per cent of Scottish and Universal Investments—one of whose assets is the Glasgow Herald—from chairman Sir Hugh Fraser.

At 85p cash per share this provides Sir Hugh and his family interests, who retain 12 per cent of SUITS, with just over £1m.

The deal, which was signed yesterday by Sir James and M. Jean-Jacques Servan-Schreiber, is being carried through Agri-furane, a subsidiary of the French food group Generale Alimentaire. GA is controlled by the British Cavenham group, in which Sir James' French master company, Generale Occidentale, has a 51 per cent holding.

Cavenham recently bought a 25m stake in the non-writing capital of Beaverbrook Newspapers.

Sir James, whose dropping of the U.K. Most recent acquisition was Dixford and Elliot, the Sheffield steel group, Brentford Lyons, and stakes in Combined English Stores, London City and Westcliff Properties and Newmap Industries.

Critical as it can be—Ryder

By Stuart Alexander, Industrial Staff

AS A RESULT of the toolmakers' strike, Leyland was now "in the midst of one of the most critical stages any company could envisage," Lord Ryder, chairman of the National Enterprise Board, told the Commons expenditure sub-committee investigating the position at Leyland yesterday.

He could not underline too firmly the severity and gravity of the problem, he said.

He defended Leyland's record until the recent strike started, saying that although targets had not been reached in car production the company had been on course.

Lord Ryder, Sir Richard Dobson, chairman of Leyland, and Mr. Alex Park, chief executive, refused to discuss any contingency plans which would include shutting down part of the group in the event of a block on Government funds.

Lord Ryder told the committee that after spending over two million man-hours on drawing up the original plan it was unreasonable now to expect the management to speculate on what it would do without further extensive review.

Poor industrial relations had been the main cause of all the problems, Sir Richard said, because of uncompetitive pay rates Leyland had had difficulty in recruiting skilled engineers.

Mr. Pat Lowry, Leyland's industrial relations director, told the committee that the pay code had prevented some reforms vital for Leyland's survival, but agreed that in Leyland's present financial position it would have to look very carefully at what agreements it could afford.

Mr. Harry Urwin, deputy general secretary of the Transport and General Workers' Union, said there had also been problems of management. "I have taken exceptional measures to try to cooperate," he said. "We need a special effort from management."

The effects of present car production being reduced to a trickle were very grave said Lord Ryder, a point that was echoed later by Mr. David Andrews, Leyland international group chairman, speaking at the Zurich motor show.

Mr. Andrews said that two years' work of establishing confidence and credibility was now having to be written off.

As well as being marked by potential customers overseas, the lack of confidence was spreading beyond Leyland's troubled cars group to the success of other car makers.

The definition of a "domestic concern" should specify the degree of control which would bring a foreign corporation controlled by individuals who are U.S. nationals within the scope of U.S. law.

Mr. Blumenthal hinted that the present system whereby corporations without information on bribes to the Securities and Exchange Commission, which in turn publicly releases no names, might need to be changed.

£835m. FOR PORT TALBOT

Shotton saved in revised BSC plan

BY ROY HODSON

BRITISH STEEL is embarking on a £835m. investment at the Port Talbot strip steel works in South Wales, which will result in one of the biggest complexes for flat products in Europe capable of making 8m. tonnes of steel a year in the 1980s.

Meanwhile steelmaking at Shotton, North Wales, is to continue and the 10,000 jobs there will be secure for at least five years, subject only to possible future agreements with the unions to raise productivity.

The Government has lost no time in approving the revised British Steel plans which went to Mr. Varley, the Industry Secretary, a few days ago.

Mr. Varley announced Government support in the Commons yesterday. He said British Steel had withdrawn closure proposals for Shotton steelmaking because the corporation believed that to close it while market prospects for steel were uncertain, and while Port Talbot was being improved over an extended period, might risk a steel shortage.

The plan a joint product of Sir Charles Villiers, chairman of BSC, and Mr. Bob Schreyer, his deputy and chief executive, has the virtue that it contains something for everybody concerned.

Jobs are being saved to the relief of the Government, British steelmaking will be expanded. But it will take place at a slower rate more attuned to current forecasts for a sluggish growth in steel demand. The steel plant makers, who are desperate for new home orders, can look ahead to a series of projects for ten years.

From the customers' viewpoint the most important factor is that the plans for Shotton and Port Talbot should help obviate any sudden shortages of sheet steel such as occurred two years ago.

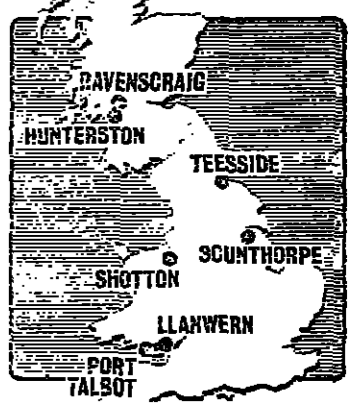
He has placed the need to cater for sheet users as the top priority of his steel strategy. He said yesterday: "I am a totally commercial person. I regard this whole exercise as how to give satisfaction to our customers with the steel they want, when they want it at the right price."

The new investment is primarily to cater for the motor industry and the booming tin plate market.

Port Talbot is to be expanded quickly to a production capacity of 4m. tonnes a year. A new blast furnace to produce 10,000 tonnes of iron a day will be the first new item. Davy Ashmore has

Continued on Back Page

Parliament Page 10 News Analysis Page 50



SHOTTON SAVED IN REVISED BSC PLAN

Table with columns: FEATURES, ON OTHER PAGES, and OFFER FOR SALE. Lists various news items and their page numbers.

FUND MANAGERS advertisement for Knight Frank & Rutley. Includes text: 'Average Farm Rents increased 17.8% during 1976 continuing an unbroken period of growth. Did your Fund benefit? Our Farm Investments Department can tell you more.' Also includes a table for 'Lex Back Page' with columns for 'in New York', 'Mar. 15', and 'Previous'.

A pause for thought

BY PETER RIDDELL

THE COMMONS today holds its annual debate on the Government's public spending plans...

Immediate

But this is not the first time publication has been after, rather than before, the New Year...

Obvious scope

It is, of course, impossible to take party politics out of taxation but there is obvious scope...

Hopes rest on Lanzarote

IN SPITE of yesterday evening's heavy showers in the Cheltenham area and the forecast of more overnight rain...

Lanzarote has since been equally impressive in winning at Lingfield and Ascot...

Provided that conditions do not worsen to bring about the sort of almost untraceable ground which saw the downfall of several well-fancied Gold Cup horses...

Saleroom

Egyptian statue at £110,000

A GREY-GREEN granite statue of Ser, son of Ii, dating from the 26th dynasty... The Christie's jewel auction brought in £102,500...

Modern British art is always a difficult market... Modern British art is always a difficult market, but Sotheby's had its successes yesterday...

There was an exceptionally good sale at Sotheby's Belgraveia which totalled £197,065... Continental furniture and works of art with a 44 per cent uplift...

Randall steers Engla back into the game

AFTER THE debacle of the first innings, England's supporters seemed justifiably afraid of a humiliating defeat in the Test series against Australia...

The pitch was more friendly than at any other period in the game and the runs came without undue difficulty...

Despite seven and a few more crickets and a few batsmen who were out until lunch, the game looked destined to end on the fourth...



Booker at third slip, misses Brerley off Lillee's bowling.

Appeal Court foreign ass ruling follows EEC Treat

BY A. H. HERMANN, LEGAL CORRESPONDENT

THE COURT of Appeal has laid down guidelines on the exercise of discretion in blocking the removal of a foreign dependent's assets...

£6m. plan launched to conserve sea's resources

The World Wildlife Fund of marine life around our shores yesterday launched a £6m programme to conserve the sea's resources.

The campaign aims to highlight the threats of pollution at a time when the number of dead seabirds around the coast is increasing...

Lord Brayley dies

LORD BRAYLEY, the former Chief of the General Staff, died yesterday in a Cardiff hospital after a long illness.

BBC 1
+ Indicates programme in black and white.
6.40 a.m. Open University (LHF only). 9.41 For Schools, Colleges, 10.43 Other People's Children...

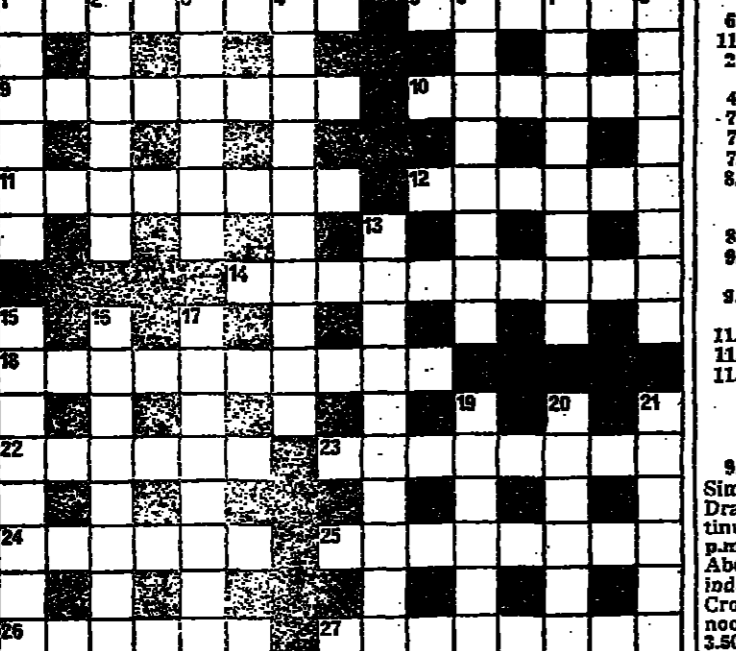
6.25 Crossroads. 7.00 Big Boy Now! 7.30 'Birds of Prey' (TV movie). 9.00 Merton and Simpson Playhouse...

12.55 What the Papers Say. 12.40 Close: Tony Blair meditates on an Old Master. All IBA Regions as London except at the following times...

1.25 a.m. Anglia News. 2.00 Women Only. 4.30 The Evening News. 6.00 About Anglia. 6.25 Arena. 6.35 Mystery Movie: Colombo...

1.30 a.m. Report West Headlines. 2.00 Report Wales Headlines. 2.30 Woman Only. 4.30 The Evening News. 6.00 About Anglia...

F.T. CROSSWORD PUZZLE No. 3,332



ACROSS
1 Signs of a snake seen annually on the Thames? (8)
2 An adverb in season (8)
3 Flag but remain upright one way (6)
4 Soft drink with it goes to your head and creates affection (10)
5 Foodishly mixing lousy wine with no oxygen (8)
6 Ceremony to spoil one in anger (8)
7 Takes into account a message of esteem (8)
8 Entered into agreement and got less (10)
9 Produces family out of a soldier's hat (8)
10 The could be cutting an aerobic feat (8)
11 Turn article to the left of the soldier (8)
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20 Turn article to the left of the soldier (8)
21 Journalist road up about it (6)
Solution to Puzzle No. 3,331

BBC 2

6.40 a.m. Open University. 11.00 Play School. 2.15 a.m. Racing from Cheltenham...

ATV MIDLANDS

1.30 a.m. ATV Newsnight. 4.30 ATV News. 6.00 The Evening News...

BORDER

12.30 a.m. Border News. 3.15 Happy Days. 4.30 Border News...

LONDON

9.20 a.m. For Schools. 10.40 Simon in the Land of Chalk Drawings...

GRAMPAN

9.25 a.m. First Thing. 1.30 a.m. Grampian News Headlines...

GRANADA

1.30 a.m. This is Your Night. 2.30 a.m. This is Your Night...

RADIO 1

5.45 a.m. Radio 1. 7.25 Noel Edmonds. 8.30 Top of the Pops. 9.25 David Hamilton...

RADIO 2

6.30 a.m. News Summary. 6.52 Colin Turner. 7.00 Victoria Woman...

RADIO 4

6.30 a.m. News. 6.52 Patricia Richardson. 7.30 News and more of Today's programme...

RADIO 3

3.30 a.m. Radio 3. 7.00 News Summary. 7.15 Victoria Woman...

London Broadcasting

5.30 a.m. Morning News and 7.25 VHF breakfast-time show. 6.00 Brian Rogers. 6.30 News. 7.00 News...

Capital Radio

5.30 a.m. Graham Dene's Breakfast Show. 6.30 News. 7.00 News...

BBC Radio London

6.30 a.m. As Radio 3. 6.50 VHF with Rush Hour. 6.58 Carry On Comedian...

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e game

# Salome

by WILLIAM WEAVER

Teatro dell'Opera this season determined to show in operate with economy, strictly within its income. It is a pity that the opera is not more widely known for any Italian opera. Thus its opening production of *Salome* is a masterpiece of the kind which has not been seen since the days of the great, expensive Italian opera houses. The production is a masterpiece of the kind which has not been seen since the days of the great, expensive Italian opera houses.

## Book Reviews

on Page 38

Wallmann has also had her Venetian staging and acceptable. The production is a masterpiece of the kind which has not been seen since the days of the great, expensive Italian opera houses.

## Twelfth Night

by B. A. YOUNG

John Cox, I thought, but by of perfection. Mr. Cox is a poet of the kind which has not been seen since the days of the great, expensive Italian opera houses.

## Romeo and Juliet

by CLEMENT CRISP

Borisshnikov returned on Tuesday for a season. The production is a masterpiece of the kind which has not been seen since the days of the great, expensive Italian opera houses.

## Grand Prix du Disque for London Sinfonietta

The Academie Charles Cros has awarded the Grand Prix du Disque to the London Sinfonietta for their three Kurt Weill records recently released on Deutsche Grammophon.



John Brecknock and Janet Baker in 'Werther,' which opened last night at the Coliseum.



Michael Gough and Joan Hickson in 'Bedroom Farce,' which opened last night at the Lyttelton Theatre.

## Record Review

# From song to symphony

by PAUL GRIFFITHS

Beethoven. Songs and other vocal works. Various artists. DGG 2721 138 (£15)

For the 150th anniversary of Beethoven's death, which falls on the 26th of this month, DGG have issued again the recorded "Beethoven Edition" assembled seven years ago to commemorate the bicentenary of his birth. The complete set, occupying seventy discs, will cost you £122.50 a good foot of shelf space. It does not include quite everything that Beethoven wrote, but it does contain a great many things which are not available in other recordings and which one is unlikely to hear in a concert or recital. This is particularly true of the volume I have chosen for review, the twelfth and last in the set, devoted to songs and miscellaneous vocal music.

able of such a piece as "An die Hoffnung" (the second version, of 1813), which is not just a powerful song but also an entry into Beethoven's metaphysical world. With works of this stature included, the volume would be well worth acquiring for its own sake. It is almost an undeserved bonus that the performances are so magnificent. Fischer-Dieskau, recorded more than a decade ago, finds an earnest lyricism which is perfectly appropriate, and Jörg Demus, assisted with eloquent grace at the piano.

## Sadler's Wells

# The Rape of Lucretia

by MAX LOPPERT

An extremely attractive festival of student opera is in progress at Sadler's Wells until April 2. The London, Manchester and Copenhagen opera schools are the participants; a wide and fascinating range of opera—from Lully and Gluck to Vaughan Williams, Britten and beyond, with La Bohème at the centre—is on offer. The London Opera Centre launched the season on Tuesday with Britten's chamber opera.

## The Entertainment Guide is on Page 34

I suspect that neither Mozart nor Beethoven ever heard of Henry Purcell, some of whose finest sacred music appears on a new record from the King's College Choir. The funeral music for Queen Mary II is superb stuff for solemn State ceremonial, consisting of a March and a Canon for brass besides the settings of the funeral sentences. There is, of course, no justification for performing it as a suite except that it works that way, even here, where an earlier choral piece is interpolated for comparison. The other pieces on the disc include two short full choral anthems and three verse anthems, of which *Rejoice in the Lord almighty* is a splendid celebration and *My beloved spoke a rather secular excursion into the Song of Songs.*

## Festival Hall

# John Pritchard

by RONALD CRICHTON

In their concert on Tuesday, its first performance at this the London Philharmonic's Newcastle-born Italian, composer of a Byron opera with their director for Glyndebourne) very soon found the quick, sympathetic rapport that has been a recurrent pleasure at the summer festival performances. In Elgar's introduction and Allegro at the start of the string tone had the particular kind of wide-awake responsiveness different from German weight or Viennese warmth, that is typical of English orchestral playing at its best—we do not hear it so very often. The solo quartet from the orchestra's first desks was notably good.

## Eishopsgate Hall

# Margaret Kitchin

by NICHOLAS KENYON

Tippett's Second Piano Sonata is particularly associated with Margaret Kitchin: the work is dedicated to her and she gave its first performance at the 1962 Edinburgh Festival; but she has played it all too rarely in recent years. Standing between the folk-song inspired richness of the First Sonata, and the Bertalanian splendour of the more recent Third Sonata, it is a surprisingly detached piece. Miss Kitchin realised well its juxtaposed blocks of material, bringing much of the delicacy and tenderness though rather less of the bounding exuberance of the First.

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EUROPEAN NEWS

Brunner to stress N-fuel problems in Washington

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

A SIMMERING dispute between the U.S. and Europe over nuclear fuel supplies will take on a new dimension at the centre of talks in Washington to-morrow and Friday.

BRUSSELS, March 16. Such a demand would violate the Euratom Treaty to which all the Nine are parties.

The second problem concerns the marked slowdown in shipments of highly enriched uranium by the U.S. to Europe. The German importer, Nukem, has complained especially sharply about delays and says that in recent months it has been granted export licences for only about eight kilos of the fuel out of a total of almost 500 kilos on order in the U.S.

New probe urged into Spanish murders

MADRID, March 16.

THE SPANISH Government, buffeted by riots in the Basque country and Canary Islands, 10-day came under new pressure to investigate further the murder of four Communist lawyers two months ago.

Meanwhile, there was guarded approval from the political opposition for the rules announced last night for June's general elections that bar senior officials and military men from standing.

There were no new reports of violence from the Basque city of Pamplona, where a 17-year-old youth was seriously injured by a police rubber bullet during demonstrations yesterday.

The Canary Island of Tenerife, where many workers are unemployed due to the recession, was also reported quiet after rioting there last night.

In Madrid, some Spanish newspapers called for a deeper official investigation into the murder of four Communist lawyers and a legal assistant here on January 24.

Police said the murder was a personal vendetta by an official of the state-run labour union, but added that some people detained for the killing had links with the ultra right-wing political party Fuerza Nueva (New Force). The movement's leader, Sr. Blas Pinar, was questioned at police headquarters yesterday.

The Workers' Commissions, an illegal left-wing labour union, issued a statement challenging the police theory of a vendetta.

"The killing is not a settlement of accounts but part of an extremist plot designed to destabilise the country and block the march towards democracy," it said.

The Government prohibited a news conference called at the scene of the killing by the Workers' Commissions last night to explain their views.

The liberal newspaper El Pais asked how "gangs" had managed to infiltrate the official labour union, and said: "Despite the official explanation, we and many others believe that there was a conspiracy."

STUDENT VIOLENCE IN ITALY

Rome campus reopens under guard

BY PAUL BETTS

UNDER STRICT police surveillance, the University of Rome reopened here today after a weekend of student violence which has left Italy in a state of profound shock. While police and carabinieri took up strategic positions inside the Rome campus this morning in expectation of a possible revival of violence, in Bologna they continued to lay siege to the university as an estimated 100,000 unionists and Communist party members from all over Emilia Romagna took to the town's main square in a gesture of solidarity against the attempts by extremists to spread panic in the town centre.

In what appears to be an unusual measure of unanimity, the country's political forces have condemned the latest outbreak of violence as a concerted design by a "vast unemployment factory" to use student anger for subversive aims. However, in so doing, the crisis inside Italy's universities now risks dropping into the background in the face of the broader and more threatening issue of political terrorism.

The manifestos and slogans painted on the walls of Rome University are an indication of the seriousness of the crisis. They talk about the university as a "vast unemployment factory," they refer to the campus as a "background for Communist of all types and denominations," they accuse the system of creating "student ghettos"; they speak of a "different society composed of outcasts, drop-outs and worthless degree holders" discarded by the country and its institutions including, among others, the official trade union movement.

There are about 730,000 university students in Italy—three times as many as in the early sixties and some 300,000 more than can be accommodated in

the 44 universities. In Rome alone, there are 150,000 students in a university which was built for 40,000. Although the Government plans to spend L836.2bn. (about £424m.) for the universities and an extra L108bn. (about £72m.) for new advanced education investments, little in effect has been accomplished so far in this field as funds have yet to be found.

At the same time, there are

growth in industry, the universities have become pockets of unemployment and growing tensions. The situation has been exacerbated by the low level of academic standard which, in the words of one student, "makes an Italian degree a worthless piece of paper." Ironically, while some major Italian enterprises are looking for new trainees, they are showing increasing reluctance to employ graduates.

number of students in any given faculty. This was immediately attacked as a violation of student freedom and rights, although the measures were aimed at raising the academic standard through reduced numbers and to avoid excessive concentrations of students in specific disciplines causing surplus job demand in certain areas. According to recent forecasts there will be an estimated 507,000 secondary school leavers and 141,000 general practitioners in 1978.

Montedison Spa loans suspended

ROME, March 16.

THE Italian government's inter-ministerial financial aid committee has decided to suspend loans granted to the Montedison Spa group while it investigates whether the company is respecting existing agreements to protect employment levels, the Industry Ministry said.

Industry sources said the measure concerns about L250bn. of subsidised credits for restructuring of the group's textile activities. Montedison recently announced a net 1976 loss for its synthetic fibres subsidiary Montedison SpA of L100bn. The company has consistently said that over-manning is one of Montedison's main problems, and is considering laying off around 4,500 workers, which unions maintain goes against agreements on employment levels.

Against this background, the university reforms proposed earlier this year by the Italian Education Minister, Sig. Franco Maria Malfatti, which sought to reverse some of the measures the Government adopted after the student riots of the late sixties, sparked off the first outbreak of violent protest. Sig. Malfatti was basically proposing to stop the practice enabling students to sit a series of exams in the same discipline in order to graduate. Instead, he wanted to enforce a rigorous system whereby students would have to pass exams in strictly different subjects.

The proposed reforms also included provisions to limit the

The great mass of left-wing students furthermore felt isolated from the official left-wing forces. The Communist party, which during the 1969 student riots is widely regarded to have adopted a policy towards the students crisply summarised in the Italian phrase "Tanto peggio, tanto meglio" (the worse, the better) for electoral gains, has to-day evolved into a party of government. It has, as it openly admitted during the present wave of student violence, to a large measure neglected the universities since.

At the same time, they have continued to campaign against abuses in the exam system and of preferential treatment and patronage of students belonging to what they claim is a privileged Christian-Democrat clique within the universities.

The riots last month which caused heavy damage to Rome University followed a speech by the Communist trade union leader Sig. Luciano Lama, in another manifestation of the fracture between left-wing students and the official workers movement. The students were in particular incensed by union suggestions that they should reconsider the value and the dignity of manual labour, and that they should, in the true Marxist sense, return to manual work.

Third German N-plant contested

BY ADRIAN DICKS

SPAIN'S increasingly and the direction, of public opinion.

A call for the federal government to give a clear political lead was made to-day by Herr Rudolf von Bennigsen, chairman of Veba, the oil and electric utility group in which the government has a 40 per cent stake.

He said it was unrealistic to go on building nuclear power stations unless the government did provide a commitment strong enough to provide a base for taking major investment decisions.

In addition to Herr Ellinger, who stands on the right of the Christian Democratic opposition party, the SPD state Premier of Hesse, Herr Holger Boerner, also said he was "extraordinarily disturbed" by the Wyl judgment and its possible consequences on employment.

While the federal government will reserve its formal comments on the Wyl ruling—delivered by an administrative court in Freiburg—until it sees the full text, strong objections have already been raised by nuclear engineers to the court's reasoning. It appeared to suggest that no nuclear reactor ought to be built without the pressure vessels being encased in a massive concrete safety wall—an expedient only once even seriously contemplated in Germany for an experimental reactor, and abandoned as technically superfluous and unreasonably expensive.

Against this increasingly embattled background, the West German Government appears to have been at least partially successful in its talks this week with the Carter Administration in Washington on the controversial treaty with Brazil for the sale of an entire nuclear industry.

Little has been revealed here of the substance of the talks between President Carter, Secretary of State Cyrus Vance and Herr Hans-Dietrich Genscher, the German Foreign Minister. The government spokesman, Dr. Armin Gruenewald, confined himself to saying there had been agreement on the need to widen the non-proliferation treaty (as Bonn has been suggesting for some months), with special emphasis on including "threshold" states.

It was also agreed, according to Bonn, that there ought to be no "discrimination" between countries at different stages of industrial and technological development in making atomic energy available for peaceful purposes.

Chancellor Schmidt was reported to-day as telling a meeting of SPD members of Parliament that Washington had not attempted to persuade Bonn to break its treaty obligations to Brazil, while Mr. Vance said earlier this week that though the deal had been touched upon, most of his discussions with Herr Genscher had been on the "general philosophy" of non-proliferation. He said the U.S. would have "something to suggest more specifically later."

BOHN, March 16.

Lira improves slightly with Bank of Italy support

BY DOMINICK J. COYLE

DESPITE a background of continuing political tension, the Italian lira's exchange rate against most major currencies improved marginally to-day, thanks to further support by the Bank of Italy, although reportedly at a lower level than in the past two days. The lira closed at 887 to the U.S. dollar.

Sentiment in the foreign exchange market has moved rapidly from last week-end's violence in Rome and a number of other Italian cities and is now being influenced more directly by the delicate domestic political situation and, in particular, the possibility that the Communist

Party might withdraw its tacit support in Parliament from the minority Government.

This possibility was the subject of much Press speculation this morning following seemingly inspired leaks from a meeting of the Communist Party's central committee which, ostensibly, at least, was to have been concerned almost exclusively with the recent violence and signs that the student movement as a whole has become disenchanted with the Communists.

A number of leading Communists are said to be advocating that the party should return formally to opposition. Such a

move would inevitably bring about the collapse of the Andreotti administration. A formal withdrawal of Communist support would, in the view of most observers, mean another premature general election.

Any such immediate possibility was being discounted, however, and it was suggested here to-night that Sig. Enrico Berlinguer, the Communist party's General Secretary, would eventually come down on the side of maintaining the party's present "attachment" to the administration.

ROME, March 16.

Sig. Berlinguer himself was scheduled to make a major policy statement to the party here this evening, but latest accounts suggest that he is temporarily "indisposed" and that his speech has been postponed. This has inevitably given rise to speculation that his indisposition may be "diplomatic," perhaps being intended to avoid any formal statement on the party's relationship with the Government pending the possibility of contacts between the Christian Democrats and the Communists, nominally at least on questions of maintaining law and order in face of last week-end's riots.

A CROWN FINISH CROWNS ANYTHING

See for yourself on pages 7, 9, 11 & 13

AMERICAN NEWS

U.S. under pressure from Bonn to reject British tank gun

WASHINGTON, March 16. THE problems surrounding the German-American attempt to operate in the building of a new Nato tank are believed to have been the main topic of conversation in more than six hours of talks yesterday between Dr. Harold Brown, the U.S. Defence Secretary, and West German Defence Minister.

Motor industry worried by lagging sales of small cars

NEW YORK, March 16. FURTHER indications of the difficulties facing the U.S. motor industry in its attempts to sell smaller cars to the home market emerged today with authoritative reports that General Motors, the largest car manufacturer, may drop most of its Vega line.

Governmental fine tuning

WASHINGTON, March 16. THE WAY in which the Carter Administration makes both international and domestic economic policy is now undergoing some modification in the light of the experience of the first two months in office.

VIOLENCE ON U.S. TELEVISION

The taming of Kojak

WASHINGTON, March 16. THE RISING clamour against excessive sex and violence on American TV is apparently going to produce changes in this autumn's shows. Network executives have now publicly promised new efforts to reduce "objectionable programming."

Mr. Aaron Spelling, an executive producer of "Starsky and Hutch," one of the 20 most popular shows on network TV and the show judged most violent in a recent study, has said violence will be cut out of the programme.

NBC president Robert T. Howard has told affiliates that the network will move away from "hard action shows," the euphemism for violence, and that nearly half of the proposed new shows will be comedy or variety.

Mr. David Taylor, who writes for Kojak and other crime shows, has said: "We're trying to get away from violence because we're afraid of losing advertisers."

Swap homes!

TEMPORARILY You can, you know! Exclusive directorials, supplied in volume to international corporations and associations, list people willing and anxious to trade homes for vacations and home leave.

Amnesty says 1,500 vanished in Chile

PARIS, March 16. THE HUMAN rights organisation Amnesty International claimed today that at least 1,500 political prisoners in Chile have disappeared without trace since the military junta took power in 1973.

Mr. Des Frost, the party chairman, said the Congress would interpret and clarify the difference of opinion that seems to exist on matters of party principle.

Annenberg drops arts centre plan

NEW YORK, March 16. MR. WALTER Annenberg, the wealthy publisher and former U.S. ambassador to London, has withdrawn a proposed gift of a \$40m. fine arts centre for the Metropolitan Museum of Art in New York.

The proposed centre was to have been the division of the Annenberg School of Communications which has branches at the University of Pennsylvania and the University of Southern California.

OVERSEAS NEWS

Rhodesian Front to hold congress on party split

SALISBURY, March 16. THE EXECUTIVE of the ruling Rhodesian Front (RF) party today decided to stage an emergency Congress to review party principles and "clear the air."

The 108-member executive today voted to stage a national party congress in a few weeks. Prime Minister Ian Smith told reporters that the meeting would be designed to "clear the air" about the problems which exist and which Mr. Smith says he is sure you know about.

The 12 rebels say they have remained faithful to party tenets while Mr. Smith has not. Mr. Frost said it has been decided that no party member would utter a public word on the rift until the Congress. This represents a truce in the verbal battle that has raged for two weeks between the Prime Minister and the rebels.

Sarkis steps up efforts to end fighting

BEIRUT, March 16. PRESIDENT ELIAS SARKIS has summoned the Arab committee of four helping him to maintain the Lebanese peace to an emergency meeting on Saturday in connection with efforts to end the fighting in southern Lebanon.

Mr. Sarkis decided on the move after he met for three hours yesterday the three Right-wing Christian leaders—former President Caville, Chairman of the Parliament, and former President Suleiman Franjeh, and Mr. Pierre Gemayel, the head of the Phalange Party.

Israel economy faced with paralysis as strikes spread

TEL AVIV, March 16. THE ISRAELI economy may be paralyzed if the current wave of strikes in various sectors is not stopped immediately. The latest is one started today by Finance Ministry workers which will halt all payments of debts, salaries, tax returns, subsidies etc.

Employees of Bank Leumi—the country's largest bank—will go on strike for at least two days as from tomorrow, even though they are among the highest paid bank employees.

Indonesia oil

Indonesian Mining Minister Alchamhad Sadi said that Indonesia oil reserves were estimated at 100 billion barrels or enough for the next 20 years if production is kept at 3.5m. b/d. The Antara news agency reported yesterday, AP-DJ wires from Jakarta.

Nigerian ministers The ruling Nigerian military government announced yesterday the dismissal of seven Federal Commissioners, or ministers. Reuter reports, Lagos Radio said all the Commissioners were civilians.

U.S. mission in Hanoi

Vietnam gave an unexpectedly high-ranking welcome yesterday to the first White House delegation to visit the country since the Communist victory two years ago. UPI reports from Hanoi, A regional commission has been sent by President Carter to find out what happened to 2,230 Americans still listed as missing in the war.

Ruling Japanese party faction dissolved

TOKYO. THE FORMAL dissolution of the three biggest factions in Japan's ruling Liberal Democratic Party was completed today when the Naikokakai, the faction formerly led by ex-Premier Kakuei Tanaka, announced that it was cancelling its registration as a political organisation.

Previously, the Fukuda faction (supporting Prime Minister Takeo Fukuda) and the Ohira faction, supporting the LDP secretary-general, Mr. Masayoshi Ohira, had announced that they were dissolving themselves.



Mr. Masayoshi Ohira



Mr. Takeo Fukuda

The LDP factions consist of somewhat feudalistic groups of Diet members of the Upper and Lower Houses who have attached themselves to the "cause" of one or other of the party's top leaders. The faction leader is expected to keep his followers provided with political funds to blow for party reform, but down by the party's central fund-raising organisation, and to see

that they receive their fair share of Cabinet appointments. In return, they are expected to support the leader, or anyone he may nominate at elections for the party presidency.



An Indian woman lifts her veil to vote in

Heavy polling in Indian election favours opposit

NEW DELHI. UNUSUALLY heavy polling was reported from all parts of India in the country's sixth general election, the first phase of which was completed today on a generally peaceful note. Reports from the heavily contested Calcutta, parts of Bihar, the key constituency of Mr. Sanjay Gandhi in Uttar Pradesh and stray incidents in some other states.

Because of the heavy turnout of voters both in urban and rural areas, the opposition party confidently predicted victory for the Congress for Democracy and the Marxists. On the basis of reports from the 354 constituencies where polling took place today, Mr. Advani calculated that the Congress would win a minimum of 325 seats.

Cambodian for Singapore

SINGAPORE. THE CAMBODIAN Deputy Prime Minister and Foreign Minister, Mr. Teng Sary, will make a three-day official visit to Singapore from March 21. Mr. Sary, who is now in Peking after a week-long visit to Burma, will visit Malaysia after Singapore.

Mr. Sary's visit will be the first by a leader of a Cambodian Government to the ASEAN region since the Khmer Rouge came into power in April, 1975. Mr. Sary's agenda has so far been based on his visit, but diplomatic sources disclosed that Mr. Sary's

but apparently, Congress that it may jubilantly least six coag would lose its position. Among being contested Ram President for democracy. Gandhi early quitting the congress, and nades, the mid leader.

Mr. Fernando Trivedi, a prominent leader of the Congress Party, said that the party was confident of victory for the Congress for Democracy and the Marxists. On the basis of reports from the 354 constituencies where polling took place today, Mr. Advani calculated that the Congress would win a minimum of 325 seats.

Mr. Sary, whose profile in its still ASEAN, compared with the Indochinese study groups— even though they continue to disown the party.

The dissolution of its main factions leaves about half a dozen of most of their group can therefore afford to disband themselves aspirant leadership. More leaves in existence: study groups and surr- even though they continue to disown the party.

WORLD TRADE NEWS

Indonesia eases oil regulations

By Dafar, Correspondent
INDONESIAN Government is easing its state participation in oil exploration...

proposed locations by the new contracts in Sumatra, Kalimantan and Irian Jaya...

Indonesia's current oil production is about 1.6m. barrels a day...

According to the U.K. Offshore Office a large number of fish companies...

in Canada

Canada has acquired the Columbia Crown sale a 362 acre drilling reservation...

Sharp fall in productivity by Europe's car industry

By Terry Oodsworth

GENEVA, March 16.

THE PRODUCTIVITY of the European car industry has fallen markedly since 1973 and is expected to go down again...

still producing too many low-volume over-engineered competing models on a generally fragmented and cost-inefficient component supply base...

On imports, it says that in 1968 only 1 per cent. of the European home market was taken by foreign cars...

Rover 3500 debut in Geneva

THE ROVER 3500, awarded the coveted European Car of the Year prize in 1976...

The Mercedes is the 2.3 and 2.8-litre coupé version of its new 123 compact range...

had disappointing sales in the past. The car is being re-introduced with a more plush interior...

Coming in the midst of the current crisis Leyland executives are not concealing the fact that the car is being introduced at a difficult time...

The Porsche 928, introduced a few days ago, receives its first major showing at Geneva...

Geneva is also being used as the launching pad for a new drive into continental Europe by Renault...

Stocks in Switzerland are only about 300 cars, and Leyland has admitted that the launch is being held back by the lack of supplies...

Nevertheless, the company has made a dramatic show of the car which has outshone the three other luxury car introductions from Mercedes, Volvo and Porsche.

Both the private sector European companies and those backed by Government funds are

India lifts EEC sales by 67%

By K. K. Sharma

NEW DELHI, March 16.

INDIA'S EXPORTS to West European countries are rising at the rate of 67 per cent. according to an analysis made by the Commerce Ministry...

April to November last year compared with Rupees 4,590bn. in the same period of 1975...

April to November last year compared with Rupees 4,590bn. in the same period of 1975...

Kawasaki in Brazil iron project

By David White

RIO DE JANEIRO, March 16.

A STATE-controlled joint venture has been set up to exploit a 500m-tonne iron ore deposit discovered by the Japanese company Kawasaki Steel in the Brazilian state of Minas Gerais.

The project, one of the first in which a Japanese steel producer has taken a direct stake in an overseas raw material source...

Six other Japanese companies—Mitsubishi, Nippon, Kawabishi, Nishizawa, C. Itoh and Tomoe—have been brought in to share Kawasaki's 48 per cent. in the new company...

The Serra Geral venture, near the town of Ouro Preto, is due to start production in 1980 at a rate of 10.5m. tonnes a year...

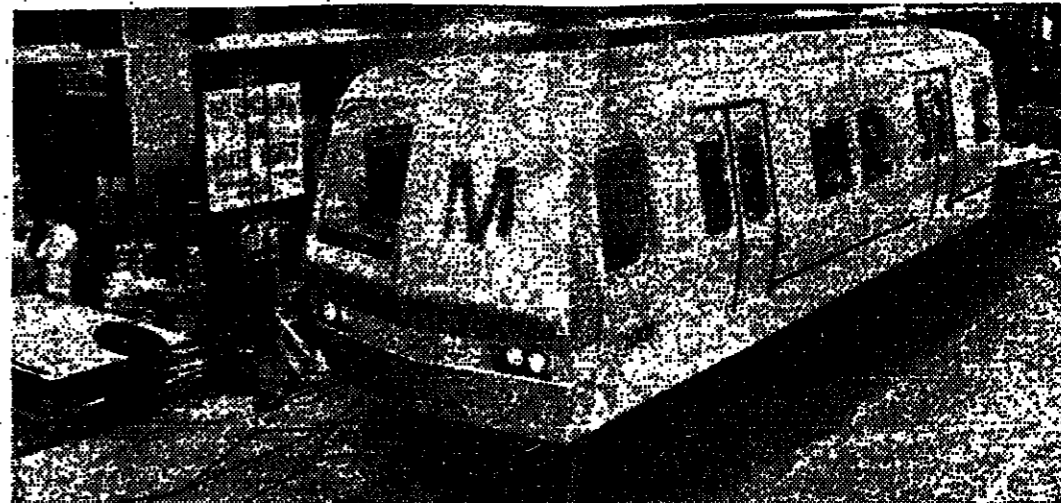
The Japanese group has, in a separate deal with the state-controlled CVRD, ordered sinter-feed supplies for steel-making facilities planned in the Philippines.

Maltese timber deal
By Geoffrey Grima
VALLETTA, March 16.

MADEIRAS, one of Brazil's leading timber companies, Caldes Importacao Comercio Exportacao de Madeiras e Cereais...

MADEIRAS, one of Brazil's leading timber companies, Caldes Importacao Comercio Exportacao de Madeiras e Cereais...

MADEIRAS, one of Brazil's leading timber companies, Caldes Importacao Comercio Exportacao de Madeiras e Cereais...



Tenders are due to be submitted this week for the supply of rolling stock, computer controls and other equipment to the Caracas underground railway project.

LETTERS OF CREDIT

A diminishing role

BY BERNARD SIMON

INTEREST IN documentary letters of credit (LCs) aroused by the much-publicised dispute between a consortium of London banks and Austria's Creditanstalt Bankverein...

ical policies increase the risk of non-payment. In recent years an ever-rising proportion of world trade has been conducted between giant multinational companies...

cash flows by selling their debtors' books to a factoring house. Many traders—particularly exporters—complain of the inflexibility of LCs.

Although no one claims the end of documentary credits as a means of settling international trade debts is nigh...

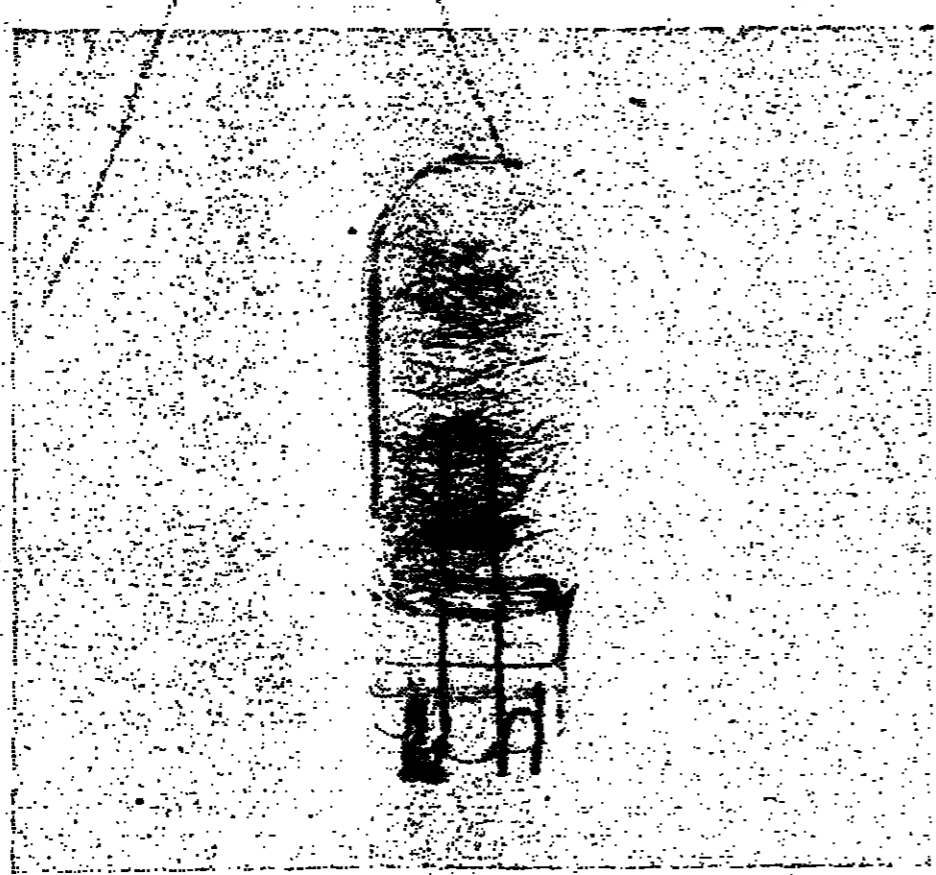
Apart from the changing pattern of international trade, LCs themselves have certain drawbacks—and increasingly popular alternatives.

From the exporter's point of view the expansion of ECGD services (and similar benefits in other countries) has reduced some of the risks which LCs are designed to eliminate.

The chief advantage of an LC—under which a bank undertakes to pay a seller for his goods—is that it guarantees prompt payment to the exporter while assuring the buyer that no payments will be made until documents stipulated by him (normally at least a bill of lading, invoices and insurance documents) have been deposited by the exporter.

For this and other reasons, they may turn to a confirming house (also known as international trade finance company) or an international credit union to arrange extended payment terms. And their suppliers are invariably happy to deal with the confirming house (which makes payment on behalf of the importer) without the superfluous security of an LC.

Exporters can likewise improve in the relevant LC.



Why doesn't your flash photography go bang on you? Because more than likely your flash bulbs are coated with a special Crown high performance finish that contains the explosion and the instant rise in temperature.

enhancement, product protection. In consumer durables. In building and construction. In printing and packaging.

Crown Industrial Finishes Division

Consistent high performance isn't achieved overnight or by any magic formula. It doesn't work that way. Crown have won their reputation in industrial finishes over 25 years. This way it does work.

At the core is Crown's policy of exhaustive testing. This starts in their high technology laboratories and goes all the way through to trials, usually on the Division's own full-scale application machinery.

What's more, every proven finish undergoes the same rigorous scrutiny throughout its life. Quality control, like success, isn't something that comes about overnight.



AT THE MOMENT THERE

Slow economic growth this year Squeeze places money targets in easy reach

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of economic growth is likely to be slow this year but might be faster in 1978...

The oil-exporting countries are expected to have a larger current account surplus this year...

increase may now slow down. "If so, the current account of the balance of payments might begin to show consistent surpluses before the end of the year...

pay settlement under a third stage of incomes policy. The bulletin points out that prices of goods and services supplied by the nationalised industries have risen faster than other prices since 1974...

the U.K. is now increasing at around 1 per cent a year, and with productivity rising by perhaps 2 1/2 to 3 per cent in the long term...

BRITAIN'S monetary targets for the current financial year should be met quite easily after the contraction in money supply recorded in the three months up to mid-January...

Sales of gilt-edged to such investors were larger, at £1,000m. in this period, but part of these sales can be considered as the funding back within the banking system...

Commenting on the success in bringing the bank to reduce their eligible liabilities to the level of the sterling lending...

Table with columns: DCE and the money stock (M.), Domestic credit contracted sharply in the three January, but the fall in M. was moderated by an increase in broad money...

Rise in savings ratio highlighted

THE SHARP rise in the savings ratio of the personal sector is highlighted in a special article in the latest Bank of England Bulletin...

figure rose to 11.7 per cent. in 1974 and 12.0 per cent. in 1975. The article also demonstrates that the main forms of contractual savings such as contributions to life assurance and pension funds and repayment of debts previously incurred...

possible expenditure. Alternatively or additionally, people may have spent a smaller proportion of their incomes on consumption because they were more conscious of higher prices than of their own higher incomes...

assumption was that personal savings were largely determined by so-called real factors, as distinct from financial influences...

in which real transactions (the saving ratio) may in turn be influenced by financial factors, in particular the erosion by inflation of the real value of the saver's financial assets...

Table with columns: £ millions, Personal saving as a percentage of total personal disposable income...

Impact But in the period to January, there was a contraction of over £800m. reflecting the strong official sales of gilt-edged securities and the impact of the official monetary measures last year...

substantial contribution - but sector rose by only £100m. in the quarter...

Restraint The gilt-edged sales were easily more than enough to offset the relative increase in borrowing during the quarter...

Invisible earnings boost OPERATIONS IN commodity markets have made a substantial contribution to the U.K.'s invisible earnings...

Oil States shed \$1.9 bn. stc THE OIL exporting countries have risen even faster in the fourth quarter, because of higher consumption and stock-building in the importing countries...



Company Law 1976

Some important dates to remember

The Companies Act 1976 brings about a number of important changes in the law affecting companies. Some of these provisions are already in force: Sections 2(1), 10(1) and 10(2) concerning companies' choice of accounting reference dates, and Section 33 (Contents of Prospectus).

Table with columns: For the provisions not yet in force, these are the key dates. 18 April 1977: Auditing (including qualification appointments) and removal of directors and registered offices. 1 June 1977: Disqualification for persistent default in delivery of documents to Registrar. 1 October 1977: Duty to prepare, lay and deliver accounts by reference to accounting reference periods. Accounting reference periods.

Oil States shed \$1.9 bn. stc

THE OIL exporting countries have risen even faster in the fourth quarter, because of higher consumption and stock-building in the importing countries in anticipation of the price increases announced in December.

Two solid ordered struck of

ESTIMATED DEPLOYMENT OF OIL EXPORTERS' SURPLUSES in spite of a further rise in oil revenues, the total surplus in the fourth quarter is provisionally estimated to have been the smallest since the third quarter of 1975.

Handwritten Arabic text: ١٥٥١٥٥١٥٥١٥٥

Rates up CONSERVATIVE Barley Council annual day a rates increase of 100-120000



JP... 15/77

### Failure to publish housing policy review criticised

**MICHAEL CASSELL, BUILDING CORRESPONDENT**

GOVERNMENT'S failure to publish its housing policy review was "intolerable" and added to the building industry's problems, Mr. Tony Cavanna, president of the House Builders' Federation, claimed today.

Cavanna said it was as long as last March that Mr. Reginald Maudling, Minister for Housing, instructed the Comptroller to publish the review by the early summer but it was still not available.

Uncertainty created in the building industry by the delay is "intolerable" and is causing "severe difficulties" for the industry, he said. The Government wishes to see the industry through its difficulties, he said, but it is not publishing the review now so that the industry will know what it stands for.

Over two years now the Government has used the excuse of housing policy decisions taken until the review is completed.

Such excuses may have been acceptable until the review is published, but the Government has used the excuse to carry on as the publication date ever further into the future.

Mr. Cavanna claimed that the refusal to publish the review would lead people to assume that the political embarrassment involved in its conclusions had led to its suppression, regardless of the disruptive effects which such a course of action was having.

Another builders' leader, Mr. Roy Turner, president of the Yorkshire region of the National Federation of Building Trades Employers, yesterday urged the Government to take immediate steps to help revive the industry.

#### Burden

Unemployment in construction, he said, was running at over 20 per cent, and the recession would continue unless policies were changed.

Mr. Turner asked the Government to reduce the burden of legislation on small companies, to cut development land tax to not more than 50 per cent, and to increase tax relief levels on industrial buildings.

"The slaughter of a number of small firms could leave the road wide open for the Government to regenerate the building industry. At present, there is complete disregard for our plight."

### Professor says taxpayers could go on strike

**JAMES McDONALD**

TAXPAYERS' STRIKE to Government expenditure "inroads into liberty" led for by Professor H. S. Ferns, a professor of political economy at Birmingham University, in a pamphlet published by Aims for Freedom and Rise.

The object of taxation is not to take from each citizens to the welfare of the whole, he writes.

William Clark, Conservative MP for Cradock South and an of the Income Tax Society, says: "It would be self-defeating exercise to a tax strike."

Mr. David H. Conservative MP for Stoke, says: "Professor Ferns' contribution to rousing opinion is welcome—if the extra-Parliamentary case he suggests."

Mr. Anthony Flew says: "I am sure to believe that at Enterprise 3, Plough Place, Labour's battery of new taxes should be seen as fundamentally illegitimate."

"For these new capital taxes are specifically designed not to raise revenue but to further the fundamental socialist aim of concentrating all wealth in the hands of the State."

Professor Ferns says that the net effect of British public finance policy "has been to reduce the spendable assets of individuals and corporations, to unsettle all expectations for the future, and to make private savings itself a form of taxation—the measure of which can be roughly calculated by deducting the rate of interest or dividends from the current rate of inflation."

Galloping Bureaucracy and Tyranny: The Radicalism Case Requires Professor H. S. Ferns. Aims for Freedom and Rise. London, E.C.4. 3p.

## New growth in chemical investment expected

BY RHYS DAVID, CHEMICALS CORRESPONDENT

INVESTMENT by the chemical industry is expected to move ahead strongly again over this year and next, making up for the lag in 1976.

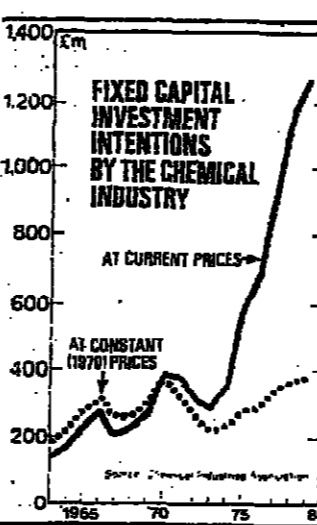
The latest survey of investment intentions by the Chemical Industries Association puts actual spending in 1977 at £900m., rising further to £1.1bn. in 1978 and to £1.26bn. in 1979—a total for the three years of £3.3bn.

In addition, the industry is expected to require extra working capital of about £1.1bn., bringing total funds required to finance expansion to about £4.4bn.

The industry is expected to be devoting an increasing share of its investment to Scotland—19 per cent. by 1979 against only 8 per cent. in 1976—enabling it to take advantage of access to supplies of North Sea oil feedstock.

Overall investment by the industry—criticised recently by a leading chemical trade union as inadequate—will provide sufficient capacity, the survey points out, for both home demand and a sustained increase in exports up to 1980.

Mr. Bryan Rigby, chairman of the association's trade affairs board, said in London yesterday that past and future investment plans, when set against a background of slow growth in



the top five countries in the world chemical export league.

The industry is giving warning, however, that its ability to sustain its investment programme, which this year will represent an increase in volume terms of 17 per cent, and in present money terms of 32 per cent, will depend on a sustained period of higher profitability being achieved.

The survey also notes that although the supply of equipment and construction resources was not a major problem at present, delivery delays on some items were giving cause for concern.

The new programme of investments could create strains within the process plant industry, and in Scotland, in particular, construction resources could be under pressure.

Based on replies from 90 companies representing 75 per cent of total investment in the U.K. in 1976, the survey puts total spending at present prices by the industry in 1976 at £880m., an increase of 15 per cent, on the previous year but down by more than £100m. on the £791m. estimate given this time last year.

The industry's investment programme for the next three years will give it an effective margin of capacity over output of about 5 per cent, this year and 2 per cent up to 1980, the association adds.

## Industry 'needs wealth switch'

BY CHRISTOPHER LORENZ AND DAVID FISHLOCK

A RADICAL redistribution of the wealth created by manufacturing industry is needed if it is to invest more in modernisation and expansion, one of the leading figures in the engineering industry urged yesterday.

Dr. F. E. Jones, president of the Engineering Industries Association, said at a conference in London on economic revival and industrial innovation, that in 1975 an average of only 9 per cent of the added value created in manufacturing was retained by management to cover depreciation, innovation and expansion. This was too low, he compared with 18.5 per cent in Japan, where industry was helped by much lower costs for borrowed capital.

To restore the balance, manufacturing industry needed a "transfusion" of about £10bn. in cheap capital, while the redistribution took place.

If Government, unions and management agreed to a redistribution

of added value, shareholders and financiers would be prepared "to find the capital needed to put the U.S. back on its feet."

Net distribution of wealth created by U.K. manufacturing industry should be altered as follows by 1982, Dr. Jones suggested (actual 1975 proportions in brackets): retained by management, 20 per cent. (9 per cent.); taken by Government in taxation and other charges, 20 per cent. (35 per cent.); employees' take home pay, 40 per cent. (52 per cent.); and payments to investors, 20 per cent. (4 per cent.).

In absolute terms, the government's off take would not fall, Dr. Jones said, because the £10bn. "transfusion" would increase the total added value sharply if it were applied properly.

This would bring the U.S. close to the actual Japanese

figures for 1975: retained, 18.5 per cent.; Government, 18.5 per cent.; employees, 41 per cent.; financiers, 22 per cent.

Mr. Eric Varley, Industry Secretary, opening the conference, said that the regeneration of industry was going to take a slow and painstaking effort. Britain had no divine right to be prosperous or successful. But there were still some who refused to recognise warning signals.

The national response to industrial problems had been complicated by the underlying belief that it could not happen in Britain, that its history and talent somehow provided a special immunity against serious decline.

On the evidence of the National Economic Development Office sector working parties, there had never been a more opportune time to innovate in British industry. But the conference should not define innovation too narrowly but embrace less exciting areas of innovation such as product design and new manufacturing machinery. Machine tools were a major potential source of innovative talent.

Sir Monty Finiston, director of Sears Holdings and chairman of the conference, said that for a nation as poor as Britain in natural resources, innovation was the kernel of industrial strategy.

It had to convert what materials it possessed with the greatest possible efficiency. Its one abundant natural resource was its "highly educated, highly skilled, highly sophisticated manpower."

A call for a "selective fiscal generosity" for innovative came from Mr. Terry Price, secretary-general of the Cranium Institute. The need for more direct incentives for innovation was not appreciated in the public

### Ulster police ask for more troops

By Our Belfast Correspondent

LEADERS of the Northern Ireland Police Federation have asked Mr. Mason, Ulster Secretary, for more troops to be brought to the province.

The federation, which represents all but the most senior officers in the Royal Ulster Constabulary, said after a meeting at Stormont that it was still apprehensive about the Government's willingness to defeat terrorism. It wanted a full battalion of troops to be added to the Army strength to meet the increasing Provisional campaign.

Mr. Alan Wright, chairman, said that Mr. Mason had told him that the Army's head battalion was on standby to come to Ulster. The Federation believed it was needed now.

Mr. Mason assured the delegation that the RUC would remain a civilian force and would not be pushed into the front-line against terrorists.

He appreciated that the federation had genuine anxieties, but he denied a claim by Mr. Wright that the Government was issuing exaggerated figures for the number of soldiers in the province.

### Falling waste paper collections threaten to recycling scheme

BY MAX WILKINSON, INDUSTRIAL STAFF

BRITAIN SPENT £3m. to import low-grade waste paper from the Continent last year because local authorities and voluntary bodies have cut back collections.

Imports soared to 100,000 tonnes, four times those of 1975 and 50 times those of 1964, the British Waste Paper Association reported yesterday.

One main supplier was West Germany, which has a considerably more efficient collection system than Britain.

Most waste imported was of the mechanical wood pulp variety, to recycle as board and cartons.

Local authority collections of waste paper fell from about 450,000 tonnes two years ago to 200,000 tonnes in 1976.

Some authorities have stopped collections altogether, influenced by the sharp fall in demand in 1975, when waste paper consumption fell 20 per cent. to 1.7m. tonnes. Last year consumption exceeded 2m. tonnes, following the improving fortunes of paper and board mills.

Deteriorating collections present a serious challenge to the Government's strategy of saving

imports by improving recycling of paper. A £23.5m. scheme for the industry is intended to increase capacity by half to 3m. tonnes of waste paper a year.

Realisation of this scheme will depend on improved collection as well as on capital investment by the mills.

Mr. Gordon Hughes, spokesman for the British Waste Paper Association, said yesterday that imported waste was now available because of low demand by Continental mills. When demand picked up, it would be much more difficult to obtain imports.

A report by the association says the annual value of waste paper collected in Britain is £65m., and the value as an import substitution for virgin pulp is much greater.

"Waste paper is the only economic raw material of the Board industry. . . . We are consuming approximately 8m. tonnes of new paper annually. Of the reclaimable 7m. tonnes only a little over 30 per cent. is recovered for re-use. . . . The public do not appreciate the importance of the material they are accustomed to throwing away."

### Shepherd Neame buys more Whitbread pubs

BY KENNETH GOODING

SHEPHERD NEAME, the family-controlled brewing concern based at Faversham, in Kent has bought another 10 public houses from Whitbread.

Since 1972 the company had acquired 53 pubs from Whitbread, four from Watney and one from Tuzman and the latest 10 has taken the total expenditure to around £1m.

This compares with the estimated £100,000 it now costs to build a new pub, though the majority of those acquired by Shepherd Neame were small and needed attention.

As a result of the deals Shepherd Neame now has 234 pubs in an area stretching from the City of London through the southern suburbs to the Isle of Thanet and the Sussex coast.

Mr. Robert Neame, chairman, said yesterday that the company was previously too dependent on sales to the "free" (non-brewer owned) trade. The acquisition had built up the percentage of Shepherd Neame's business "tied" outlets from 60 to 70 and eventually this might rise to 75 per cent.

The newly-acquired pubs are still all tenanted and there have been no changes in the tenants' agreements as a result of the change.

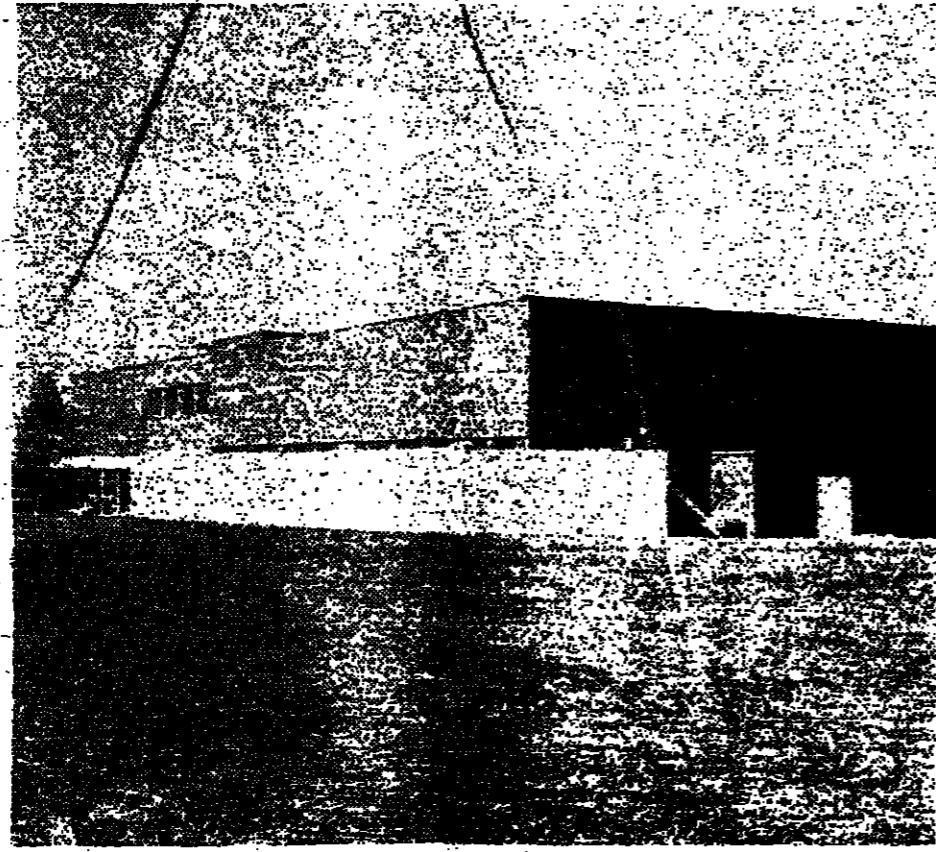
In each case they are located in areas where Whitbread has a fairly high concentration of outlets.

### Ship naming by princess

PRINCESS Alexandra will name the latest ship to be added to the Cable and Wireless fleet.

The ceremony will be at the Humber Graving Dock and Engineering Company, Immingham, Humberside, on April 18.

The Cable Venture, which will have the greatest carrying capacity of any cable-laying ship in the world, is being modernised and converted at a cost of £3m. to equip her for laying every type of modern submarine telecommunication system.



Exterior cladding keeps its original good looks year in and year out thanks to Crown finishes that can take just about everything Nature can throw at them.

Mass producers of wooden window frames beat the hazards of long exposure on site with Crown's acrylic joinery primer and also ensure that there's an excellent surface for subsequent overpainting. Crown special finishes add massively to the life of galvanized steel structures.

Top-quality fitted bedroom and kitchen furniture maintain their appearances with the protection of Crown furniture finishes and come off the production line faster thanks to Crown developments to meet quicker drying times. Meeting all a customer's requirements is all part of the service.

### The Services Behind Crown Industrial Finishes

Crown's concept of a high performance division goes a long way beyond the finish itself. It all starts, really, with the customer's requirements.

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# Silkin defends consumers' rights in farm price talks

By JOHN HUNT, PARLIAMENTARY CORRESPONDENT

## Minister pressed on council mortgages

Financial Times Reporter LOCAL AUTHORITIES have been allocated £100m for mortgages during the current financial year compared to a total of £68m in 1974-75.

The sharp drop was outlined in the Commons yesterday by Mr. Reginald Freeson, Housing Minister. But he also told MPs that building societies were lending about £1bn a year, "generally on older properties and to poorer families."

Mr. Freeson said that 20 per cent of mortgages were granted for pre-1919 properties while 20 per cent went to families with below average incomes.

Mr. Tony Durant (C., Reading) pointed out this year's council allocation represented a drop of 54 per cent in the money available to local authorities for house purchase and improvement.

He urged a shift of resources from council house building to grants and mortgages for the young.

Mr. Freeson argued that the cutback was necessary to protect new house building programmes and rehabilitation and claimed Mr. Durant was comparing like with unlike.

Mr. Freeson declared: "At 1974 survey prices reported last year, in 1974-75 totalled £85m. The allocation for 1977-78 is £100m."

"At out-turn prices, the 1974-75 leading amounted to £536m. In 1977-78, with the building society support arrangements recently announced, the figure will be £273m. Building societies are lending about £1bn a year generally on older properties and to poorer families."

THE NEED to protect the British consumer in the present negotiations on EEC farm prices was strongly emphasised in the Commons yesterday by Mr. John Silkin, Minister of Agriculture.

In a speech in which he repeatedly stressed the Government's intention to safeguard Britain's national interest, Mr. Silkin declared: "We have to balance the legitimate needs of the producer with the necessity to provide food for the housewife at prices she can afford."

"It is a matter for concern that the Minister, having been forced to announce that the Government was quite prepared to accept the amendment."

From the Opposition benches, Mr. John Peyton, Conservative spokesman on agriculture, made a cautious speech in which he took great care to balance the need to hold down prices with the necessity of providing the farmer with an adequate income.

Mr. Peyton told the House: "It is a matter for concern that the Minister, having been forced to announce that the Government was quite prepared to accept the amendment."

On the subject of the proposed devaluation of the green pound, he listed the steep increases in retail prices in Britain which would result if the Commission's proposals were accepted. "The final decision must be taken by member States, he said."

Once again, the Minister attacked the accumulation of large agricultural surpluses in the Community—particularly the butter mountain—called for basic reform of the Common Agricultural Policy.

The House was debating EEC agricultural proposals concerning the Common Agricultural Policy, monetary compensatory amounts, and representative exchange rates in the agricultural sector.

The motion before the House welcomed the Government's intention of negotiating a settlement which would take into account the interests of consumers as well as producers.

It stressed that the Government wanted to secure a better balance in the market, particularly in those sectors with a structural surplus and, in addition, endorsed the Government's view that member States should have the primary say in deciding the level of the green pound.

A group of anti-Market Labour MPs put down an amendment urging the Government to press for easier access into the U.K. of efficiently produced foodstuffs from outside the Community.

But at the start of the debate, Mr. Silkin dismissed the critics

and defused what could have been a dangerous situation by announcing that the Government was quite prepared to accept the amendment.

This had long been a dominant feature of the CAP and had taunted our people with the evils of excessive prices and mountains of stored food which they could not have.

This year, when he had in mind a determined attack on inflation, we also faced the two final transitional price increases under the Treaty of Accession.

These would give a reasonable return to producers in Britain, but would also cause an average rise in prices to the housewife of 2p in the £. They would raise the price of butter by 12p or 13p in the pound and would have a marked effect on cheese, eggs and bread.

He was interrupted by Mrs. Gwyneth Duwoudy (Lab., Crewe) who protested that the Commission had just announced that it did not foresee the possibility of Britain continuing to be allowed to operate the Milk Marketing Board.

The Minister told her that he had not seen such a proposal, and added: "I don't see how anyone who is considering what to do about milk surpluses could contemplate setting up the Milk Marketing Board."

On food prices generally, he emphasised once again the need for restraint. "The farmers had to realise that it was not in their interests to have high prices which the housewife was unable to meet."

"It is not good in the long term or in the present term to produce goods for store. They should be produced for consumption."

He recalled that the recent food expenditure survey had shown that consumption of food had gone down by amounts almost directly related to price increases.

The proposed change of 5.94 per cent in the value of the green pound would add about 1.25 per cent to retail food prices.

"I stick to the view that the member State most concerned should have the final decision on whether a proposal for its green currency should be accepted. This cannot be replaced by a set of arbitrary rules. It is a fact that it simply cannot be done unless we get something of greater value than any devaluation we make for our country. If we got that, I would not object to a modest devaluation."

# Skilled workers' inquiry needed, peers told

AN URGENT inquiry into recruitment of craftsmen and skilled workers should follow the Leyland toolmakers' dispute, Baroness Sear (L.) said in the Lords yesterday.

During a debate on the problems of unemployment she told peers: "When we create a situation where the toolmakers—the crème de la crème of the engineering industry—are taking action of this type, we are long overdue for an investigation into what is happening to the recruitment and retention of craftsmen in industry."

Perhaps the narrowing of differential while the longer-term prospects, as well as of pay.

These were the creators of wealth and of jobs for other people and should be at the centre of our economic recovery, she said.

From the Conservative front bench, the Earl of Gowrie said that inflation was an even greater enemy of high employment than was world recession. "Three years of Labour rule had doubled the rate of unemployment and nearly doubled the rate of inflation."

"The sins of the Wilson Government are being visited on the Callaghan Government and the sins of the social contract

on Plessey and Leyland," he said. "The spectre of a jobless total of two million by the end of this year had been raised by Lord McCarthy when he opened the debate. Without further action, the dole queues could amount to three million people by the end of 1979," he claimed.

Lord McCarthy, chairman of the Railway National Staff Tribunal, called for selective job creation in the form of measures designed to have maximum impact on the labour market at the minimum level of prices and demand.

He said: "The existing economic policies of the Government are unlikely to have more than a marginal impact on the problem."

The U.K. had now become a country of relatively low employment, and it was increasingly becoming the problem of the old, the disadvantaged and the young.

Lord Glenamara, formerly Mr. Edward Short, said in a maiden speech that the Government should "stop the process of demoralising regionally selective assistance and devise new regionally induced selective growth."

Lord Glenamara, who said he still served as voluntary chairman of the North of England Development Council, added: "The problems in the North are getting worse, because they are structural. But the Government at these problems?"

He said the policy was now sectors of the nation. "This is very interesting system but I am raising all parts of the level of the part. Until we do a mockery to nation." He argued the Government's present not helping the nation.

Government's Wallace of Cost employment was spread like a ca the Western world had not of selective n particularly at among young pe

Longer term being considered. party including education repp was due to repp There had be denied attempt problem. With 200 more pe out of work, he s

## Dominant

Opening the debate, Mr. Silkin declared: "Our country has other pressures quite separate from those of our partners. We differ from them in a number of major respects—above all, because we are very much a food importing nation."

It was not surprising therefore that we wanted to put an end to the system of structural food sur-

## Fishing deal with Faroese expected soon, says Minister

AGREEMENTS on fishing between EEC Agriculture Ministers and the Faroe Islands should be completed soon, Mr. John Silkin, Agriculture Minister, told MPs yesterday.

In a statement on a meeting of European Agriculture Ministers in Brussels on March 14-15, Mr. Silkin said consultations on the Faroese proposals to limit fishing boats from the EEC, and from Britain in Faroese waters should be speedily completed.

But he warned that the initial position taken by the Faroese Government "does not give rise to optimism."

Mr. Silkin stressed that he had been concerned for some time with the lack of progress made towards a permanent common fisheries programme.

He announced that the meeting had now agreed on the urgent need to set up a permanent internal regime. Revised proposals were expected from the Commission soon after Easter.

Mr. Silkin said that as president of the Council of Agriculture Ministers, he had signed a framework agreement with the Faroese in spite of the sudden appearance of the new proposals.

Mr. John Peyton, shadow

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Mr. John Peyton, shadow

## Varley backs new steel plant

BRITISH STEEL Corporation plans to save Shotton Steelworks on Desidee and to spend £85m. developing the Port Talbot works in South Wales received Government backing in the Commons yesterday.

Mr. Eric Varley, Industry Secretary, said that the corporation had announced that development of Port Talbot remained the most economical course in steel-making terms and in supplying U.K. users with quality strip mill products on a fully competitive basis.

The recommendation proceeding with the development at Port Talbot would reach a capacity of 4m. tonnes of liquid steel by 1981-82 and 6m. tonnes by 1985-86. The full cost of this at March, 1981-82 and 6m. tonnes by 1985-86 was £85m.

Mr. Varley said the corporation believed that to close Shotton's iron and steel capacity when prospects were being built up over an extended period might risk a shorttake.

They were, therefore, withdrawing closure proposals for Shotton's heavy end and expected that iron and steel-making would continue there for many years.

"They will undertake the neces-

sary expenditure at Shotton to keep the open-hearth steel-plant in prime condition.

"This will lead to the maintenance of employment there at close to present levels. The decision will not be reviewed during the period of ESC's current five-year plan—that is, not before 1982-83 at the earliest."

The long-term future of steel-making at Shotton could then be reviewed in the light of technical developments and results of the Government's industrial strategy.

Mr. Varley added that the Government welcomed the corporation's proposals as a realistic plan for the development of their strip mills activities. The proposals also took account of regional and social needs.

I look to both workforce and management in the corporation and also to those engaged on steel plant construction to make a success of the new strategy."

His statement was cheered by Labour MPs.

Sir Keith Joseph, Shadow Industry Secretary, welcomed the plans for Port Talbot and supported the reprieve for Shotton.

He asked: "Why has the Corporation changed its mind?"

Was it, in part, that the Cor-

poration recognis an insurance good industrial Shotton against less than perfe some of the new plants?"

Mr. Varley re Corporation had would need ste for many year relations have Shotton but it is Steel Corporation, what weight to Mr. Richard Liberal Industr said that "the changes in the Corporation's or had been annou He asked how, one hand, etc Shotton would g of producing ste price and qual Mr. Varley sai tion had judg steel from 50m years. In it believed the pla chial, practical an Replied to a Secretary, Mr. (Lab. Kilmarnec MPs that the pla

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## Rent Acts review aims defended

Financial Times Reporter GOVERNMENT POLICY towards private landlords was defended in the Commons yesterday by Mr. Reg Freeson, Housing Minister.

He had been asked by Mr. Robert Adley (C., Christchurch and Lymington) if it remained the overall policy of the Department of the Environment "to eliminate the private landlord."

Mr. Freeson replied: "Private rented housing has been in decline for many years and for a variety of reasons, not least of which is the attractiveness of the other main forms of tenure."

He added: "As the consultation paper on the review of the Rent Acts explains, we are concerned to safeguard the interests of existing private tenants, to arrest the physical decay of the stock, to encourage letting to meet particular social needs and to encourage new forms of social ownership and management from within the private sector."

Mr. Adley said that the Government's housing policy and legislation had led to an increase in homelessness, a massive number of empty houses and a proliferation of squatting.

Assessing the Government of legislating out of "envy and spite," he declared: "It might be better to have one regime rather than 100,000 homeless."

Mr. Freeson said there was no evidence to suggest that squatting, homelessness and empty properties had suddenly come into existence with the passing of the 1974 Rent Act.

"We do not intend to return to the situation of compulsory mobility of compelling people to leave their homes through lack of security as was the experience in certain times in the past," he added.

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## Labour group urges PR Euro-voting

ARGUMENTS to support the introduction of proportional representation for elections to the European Parliament are advanced in a pamphlet published by the Labour Study Group on Electoral Reform.

A number of senior Labour MPs are members of the group, and the pamphlet is the joint work of Norman Haseldine, a former Labour MP, and Mr. Michael Watson.

The pamphlet, "Testing our electoral system," warns that under the existing first-past-the-post system a heavy swing against the party could result in a disastrous Labour representation in Europe.

"There is sufficient evidence to suggest that the party would be unwilling to be complacent on the issue," it states.

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THE BUSINESS SIDE OF GIVING TO CHARITY - a guide for Company Directors.

CHARITY CREDITS - an explanatory leaflet.

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Bank consortium sets up  
£70m. oil refinery deal

BY RAY DAFTER, ENERGY CORRESPONDENT

A CONSORTIUM of banks will build and lease a large oil refinery unit under a £70m. deal announced yesterday.  
Morgan Grenfell and Hill Samuel have arranged lease finance to extend the Lindsey Oil Refinery at Killingholme, Humberside. It is believed to be the largest lease financing transaction undertaken in the U.K.  
The project, expected to cost between £70m. and £80m., will get a Government interest relief grant of £5m.-£10m. under the Industry Department's accelerated projects scheme.

Total Oil and Petrofina (UK), which jointly operate the 10m.-tonnes-a-year refinery, will lease the catalytic cracking unit from the consortium Omnium Leasing Company.  
The unit will take three years to build and have almost 1m. tonnes a year capacity. It will make lighter oil products, such as petrol and chemical feedstocks. The demand for these

is expected to grow substantially in the next few years.  
The oil industry, faced with a refinery overcapacity of about 30 per cent, seeks to cater for the change in product demand away from heavier products, such as fuel oil, toward lighter products. Mobil will spend about £70m. on a cracking unit at its Coryton refinery.  
Morgan Grenfell said that the expansion at Killingholme would allow Petrofina and Total to obtain at least a third more motor spirit from the same quantity of crude oil by selectively cracking the fuel oil.  
This would enable the companies to meet the expanding markets at home and in the EEC, benefiting the balance of payments by about £20m. a year.  
The primary lease is for seven years.  
Partnership members are all members of banking groups: Lloyds, Midland, Montagu Leasing, Royal Bank Leasing, Barclays, Export and Finance Company, Citicorp International Bank, City Leasing (a Morgan Grenfell Holdings subsidiary); Hill Samuel Leasing; IBOS Finance (part of the Bank of Scotland Group); and Williams and Glyn's Leasing.  
Mobil Oil said that from Good Friday it would start a shipping shuttle service between the Beryl Field and refineries.  
Two tankers will take 53,000 tons of oil a week from the field, 210 miles north of Aberdeen. Loading each cargo, worth about £2m., will take about 14 hours.  
The U.K. will take part in two International Energy Agency research and development programmes into energy conservation, one of R and D on energy conservation in combustion, through the United Kingdom Atomic Energy Authority, one in buildings and community systems, through five companies. The Department of Energy will provide £220,000 over three years in support.

Shoppers' demand for tea quadruples

By Our Consumer Affairs Correspondent

By Our Consumer Affairs Correspondent  
DEMAND FOR tea in the shops has shot up over the past few weeks as consumers have tried to beat inflation by stocking up before the price rises.  
The result will be to bring forward the price increase, as retailers' stocks at the old price are rapidly being exhausted.  
Normally supermarkets hold about eight weeks' stock of tea, so that the 2 1/2-pa-quarter-pound increase now being notified to the trade by the leading manufacturers would not usually be felt in the shops for about two months.  
Any shortages in the shops should not last long, as there are plentiful supplies in the country for retailers prepared to pay the higher price.  
Brooke Bond, Britain's biggest tea manufacturer, has been selling an allocation for several weeks to prevent retailers stocking up at the cheaper price.  
Fine Fare said yesterday that demand was running at about four times normal level. Both Tesco and the Co-op, which is itself a major manufacturer of tea, said that sales were "exceptionally high" for the time of year.  
Gateways, the West country supermarket chain, said that in the ten days up to the end of last week tea sales were running at twice the normal level. The last few days had seen another surge of buying, and now demand was three times more than usual.

Fresh move to end Midland Bank's South Africa loan

BY MICHAEL BLANDEN

A RENEWED attack on Midland Bank's involvement in loans to South Africa is planned for the bank's annual meeting due on April 20.  
A resolution urging the bank to end all loans to the South African Government, its agencies and State corporations is being sponsored by more than 100 shareholders holding over 900,000 shares.  
The sponsors are led by the Greater London Council, holding over 250,000 shares.  
Barclays Bank is also expected to face criticism of its policy towards involvement in South Africa at its annual meeting on April 6.  
This is likely to concentrate on the recent controversy over the investment of some £6.6m. by its South African subsidiary in South African defence bonds.  
The move against Midland Bank follows last year's efforts when for the first time a resolution calling for an end to loans to South Africa was put to the annual meeting. At the time it attracted the support of nearly 3m. votes, or about 6 per cent of the total cast.  
This was regarded as a considerable success by the sponsors, though Lord Armstrong, the bank's chairman, resisted the pressure.

The opponents are looking for increased support this year. The bank's annual report will be going out to shareholders tomorrow, and will include a statement by the sponsors explaining their reasons for their opposition to the loans.  
The sponsors say that a number of other institutions have indicated that they will support the resolution opposing loans to South Africa.  
They included a number of church-bodies, an insurance company, a pension fund and five universities and colleges, holding a total of almost 2m. shares.

Support

Developments in South Africa over the past year had demonstrated the strength of the opposition of the African people to the apartheid policy, and that financial support for the Government there was also support for apartheid.  
The case of the banks has been put recently by Mr. Anthony Fuke, chairman of Barclays, in his annual statement to shareholders.  
He said that the bank viewed the apartheid policy as "morally and economically indefensible," but it would not help the African people to pull out of its involvement in South Africa.

Industry 'can help improve schools'

By Michael Dixon, Education Correspondent

A SURPRISING number of school- and university-leavers were unaware that industrial profits could mean better schools, pensions and other social services, Mr. Dennis Head, managing director of Rolls-Royce aero-engine division, said in London yesterday.  
"I find myself sometimes feeling like an Evangelist uttering a simple Christian truth. Quite often the response is: 'But nobody ever put it to us quite like that before,'" he told a conference of employers, unionists and teachers, organised by the National Union of Teachers.  
"The first need of industry is that more young people should have a general understanding of that fact."

Problem

Mr. Head felt that schools generally failed to face their pupils with a sufficiently competitive challenge. His company now had a definite problem in recruiting skilled technicians.  
There were numerous 16-year-olds with the talent for further training in work skills, but whose abilities were not recognised by the schools and the academic examination system.  
Prof. Eric Briault, former chief officer of the Inner London Education Authority, said that the school system must be prepared to make some sacrifice of its independence to develop the right kinds of courses and exams.

Warning on oil-boom services

BY OUR OWN CORRESPONDENT

THE TIME has come to stop the provision of oil-related infrastructure services in North-East Scotland unless Government support is guaranteed, Grampian Regional Council finance committee heard in Aberdeen yesterday.  
Fears were expressed in the committee that the Government would pull out, leaving Grampian as petrol and chemical feedstocks. The demand for these

the problem through the ordinary grant distribution formula.  
Councillor Sandy Mutch, regional council convenor, said: "The time has come when we as a region should go no further in the provision of oil-related services until we get guarantees from the national Government."  
The region had bargaining power, with oil exploration due to move into the Moray Firth.  
The finance committee agreed to seek an early meeting with the Secretary of State to press for an assurance that the Government would continue to underwrite oil-related expenditure until it was possible to deal with

Thirty jobs go

THIRTY workers employed by Welton Construction Company at Davenry, Northants, are to be made redundant as soon as the company's present orders have been completed, because of problems facing the building industry.

State ship repair yard wins P & O refit

BY OUR SHIPPING CORRESPONDENT

THE State-owned North East Coast Shiprepairers has won a contract for the refit and survey of the P & O ferry Terje Vigen. The ship is docked at the company's Brixham and Cowan yard, South Shields. When the work is completed she will be renamed the St. Clair and will begin a new service in April between Aberdeen and Lerwick in the Shetlands.  
The contract, believed to be less than £200,000, calls for modifications to the stern docking fin, alterations to the galley and restaurant, removal of the passenger certificate and an extensive refit of the main Pielstick and auxiliary engines.  
Formerly the Panther, Terje Vigen was built in 1965. Her refit will provide work at Brixham and Cowan for three weeks.  
Swan Hunter Ship-repairers

at North Shields has won a fire damage repair contract against competition from 20 U.K. and Continental firms. It will provide work for all trades at the yard for about two months.  
The 4,000-ton Newcastle-owned ferry Federal Byblis is expected in the Tyne early next week after a 1,900-mile tour from Spain. The vessel was damaged by a fire at Almeria six weeks ago, in which two crew died.

New telephone cable soon

WORK WILL start soon on laying a £3m. undersea cable which will increase by more than 25 per cent the total capacity of all cable systems between Britain and Europe, the Post Office said yesterday.  
The new cable can carry nearly 4,000 phone calls at once. It will run 100km. from St. Margaret's Bay, Kent, to Veurne, in Belgium, and should be in service for the summer.

Easter trains

WESTERN Region will run 48 extra intercity and special excursion trains during the Easter holiday from April 6 to April 13.

Irish-built North Sea tanker in service soon

FIRST oil tanker to be from the field's tanker loading built for North Sea column.  
Since September, Beryl production has been building up to its present 70,000 barrels a day, being transported to Mobil's Coryton refinery by the 30,000-ton Matco Avon.  
Mr. Bryce Sim, Mobil's North Sea exploration and production manager, said yesterday on board the vessel that the possible use of a third tanker had not been ruled out depending on output from the production wells still to be drilled. Seven wells are being produced, with output from the facilities and a bow-lift unit to facilitate loading above the expected level.

BP benzene plant ready soon

BY RHYS DAVID, CHEMICALS CORRESPONDENT

BP CHEMICALS is to start pre-commissioning work soon at its new 150,000 tonnes a year benzene concentrate plant at Baglan Bay, South Wales.  
The plant, built by Lummus at a cost of £4.5m., will remove benzene concentrate from 455,000 tonnes a year of gasoil produced during the naphtha-cracking process.  
BP until now has returned the

gasoline to its refinery at Llan-gary, several miles away, without removing the benzene concentrate.  
The material is now to be used as part of the feedstock for a 250,000 tonnes-a-year plant for pure benzene being built at BP's Grangemouth factory, Scotland.  
This is due to come on stream in 1978.  
Other feedstock will be provided by the joint BP Chemicals and ICI cracker going up at 270,000 tonnes a year.

Wilton, Teesside, due to come on stream next year. It also incorporates a benzene extraction unit.  
BP has raised the production capacity of its synthetic alcohol plant at Baglan Bay by a further 25,000 tonnes a year.  
This brings the plant's capacity to 155,000 tonnes and the company's overall ethanol capacity, including fermentation ethanol made at Hull, to more than 270,000 tonnes a year.



On record sleeves, book jackets, magazine covers, cigarette packs, confectionery and cosmetic containers, Crown finishes help add a vital sparkle, provide opportunities for greater design freedom, increase product protection.

Crown packaging finishes take the plunge with deep-freeze cartons and remain impervious to moisture.

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The Resources Behind Crown Industrial Finishes

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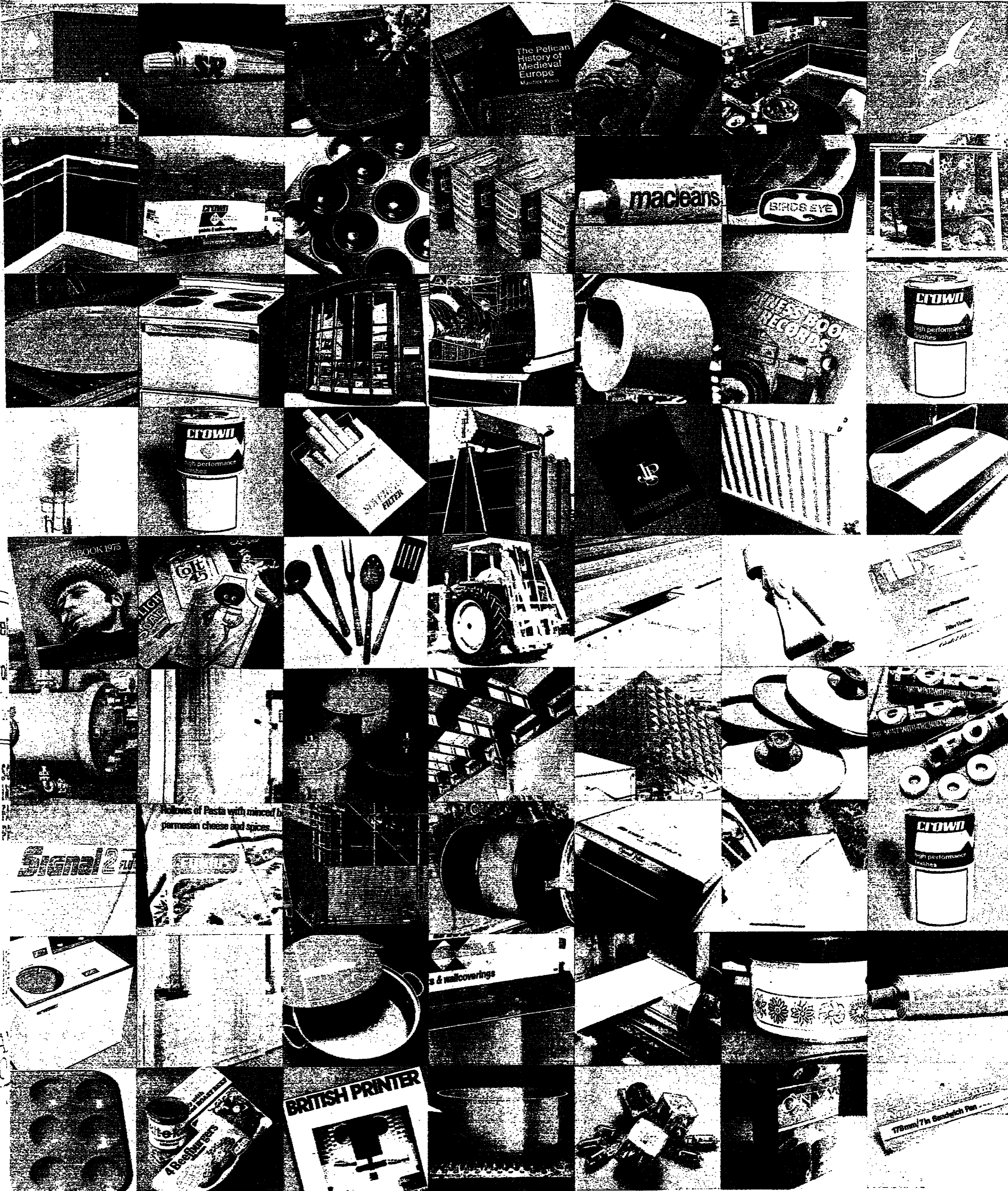
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CREDIT ANALYSIS

CONTRACTS AND TENDERS

SEGBA, ARGENTINA

been granted a loan from The World Bank (IBRD) of a total amount of \$115 million, and proposes to apply the proceeds of this loan to the purchase of goods required for the expansion of Segba's transmission, subtransmission and distribution systems.

FORWARD TRUST LIMITED — BANKERS

DEPOSIT RATES
Depositors are advised that with effect from the 17th March, 1977 the following rates of interest will apply:

Table with 2 columns: Period (7 days, 1 month, 3 months, 6 months, 12 months) and Rate (6 3/4%, 9 1/2%, 9 3/4%, 10 1/2%, 10 1/2%)



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COMPANY NOTICES

UNION CORPORATION GROUP

GENERAL MEETING
The Annual General Meeting of the undermentioned companies, which are incorporated in the Republic of South Africa, will be held at Union Corporation Building, 74/78 Marshall Street, Johannesburg, on the dates and times mentioned below:

Table with columns: Name of Company, Date and Time of Meeting, Transfer to be Made, Date of Meeting, Spoken to, Closed to

CANON INC.
Notice is hereby given that the 75th Ordinary General Meeting of the Company will be held at its Conference Room at 30-32...

PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION
NOTICE IS HEREBY GIVEN that the 27th Annual Meeting of the Association will be held in the Council Chamber...

THE RIGHT HONOURABLE FARMING MR. VALENTINE PATRICK FLEMING MR. JAMES EDWARD ALEXANDER

NOTICE IS HEREBY GIVEN that the 27th Annual Meeting of the Company will be held on Thursday, 23rd March 1977 at 10.15 a.m.

ANGLOVAAL GROUP
LOSING OF TRANSFER BOOKS AND REGISTER OF MEMBERS

LEGAL NOTICES

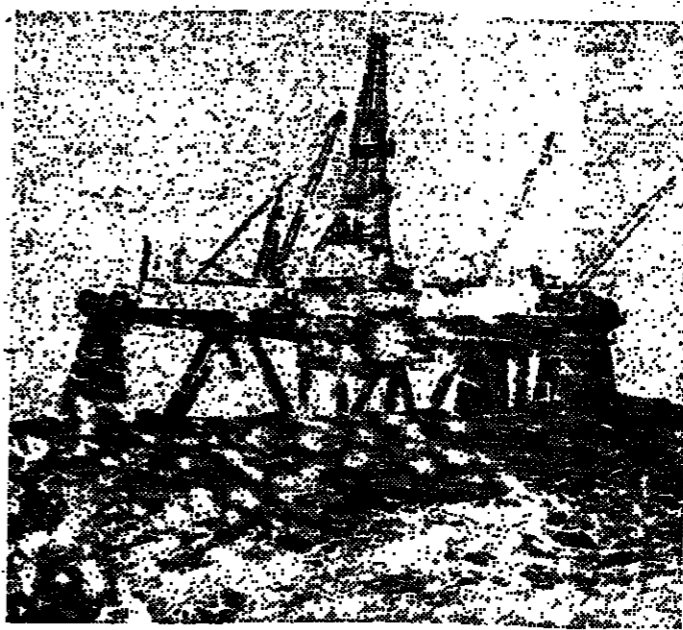
No. 00736 of 1977
In the HIGH COURT OF JUSTICE Chancery Division Committee Court...

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 3rd day of March 1977 presented to the said Court by WERNER GROBE & HORST BINDENWALD TRADING AS GROBE & BINDENWALD...

HOME NEWS

BP sells pioneer oil rig for £3 1/2 m.

By Ray Daffer, Energy Correspondent
SEA QUEST, the first exploration rig to discover North Sea oil, has been sold by British Petroleum for \$6m. (£3.5m.) — almost the original purchase price.



Sea Quest, first to find North Sea oil.

The rig has been bought by Sedco Inc. It will be refurbished and used as a combination exploration and floating production facility.

Glasgow to London rail fares cut

By Ian Hargreaves
BRITISH RAIL is introducing a selective, cheap fares policy between London and Glasgow in an attempt to stem the loss of business from its Anglo-Scottish services.

Farm prices rise to £739 an acre

FARMLAND with vacant possession went up in value to an average of £739 an acre during the three months to the end of January, an increase of £228 an acre, according to the Country Landowners' Association's latest survey.

GOVERNMENT LIKE AILING COMPANY — COMMONS COMMITTEE

BP shares sale criticised

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE Government was accused yesterday of following "the classic action of an ailing industrial company" in cutting capital expenditure and selling off productive capital assets, such as British Petroleum shares, to sustain current expenditure.

because it is hazardous at any time. A forecast in a period of stability may not reverse the truth. This in itself is not a valid reason for the non-publication of an assessment which forms the basis of the Government's public expenditure plans.

FINANCIAL TIMES

INDUSTRIAL ARCHITECTURE AWARD 1977

Applications are now invited for the 1977 award for an outstanding work of industrial architecture. This is the eleventh year of the award, which has proved a notable success, attracting nearly 700 entries for judgement in that time.

Conditions Nominated buildings must have been completed within the two years ending December 31 1976. A building may be nominated (subject to the time limitation) on two successive years.

INDUSTRIAL ARCHITECTURE AWARD 1977

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Company's management tells Commons Trade and Industry Sub-committee...

Too early to talk of cutting off limbs from vehicle-making divisions

BY IVOR OWEN, PARLIAMENTARY STAFF

WHILE ACKNOWLEDGING the gravity of the situation now facing British Leyland, the company's top management team refused to speculate on the possible amputation of any of its vehicle-making divisions when questioned by MPs at Westminster yesterday.

Persistent

Lord Ryder, chairman of the NEB, joined with the company's executives in stressing that up to January of this year the company had been achieving the targets it had been required to meet, but the toolmakers' strike had "blown it off course".

problems facing Leyland Lord Ryder drew the analogy of a perfectly sound house being affected by an earthquake.

'Many people must have a feeling of guilt because they encouraged the workforce to conclude that maybe the Government would never stop the tranches of money.'

generated finance by the company itself and from taxpayers' money. Sir Peter Carey stated that the proportion would vary from time to time.

Boy scouts

There was a fierce exchange between Mr. Max Madden (Lab., Sowerby) and Mr. Derek Whitaker, managing director of Leyland Cars, over industrial relations policy.

Difficult management to restore confidence

BY TERRY DOODSWORTH

TWO YEARS' work establishing confidence and credibility in British Leyland's export markets is now having to be written off as a result of the recent crisis in industrial relations.



Mr. Andrews: "We have to live with the disasters."

One of the most damaging features of the situation was that the lack of confidence was spreading beyond Leyland's troubled cars group to the successful truck and bus and special products divisions.

His remarks were clearly calculated to cast doubt on the view that the Leyland cars group must be secured in its present shape because of its export products group, which markets its own equipment overseas.

at the moment about the damage which is being done to bus and truck exports by the bad publicity being given to the cars group.

Fleet owners asked to delay changing

BY STUART ALEXANDER

THE ACCELERATING number of dealers leaving the Leyland stable has been joined this year by a number of distributors.

supply a first-choice colour or model. Smaller dealers with less stock have been unwilling to offer discounts and other incentives such as high trade-in prices when there was little prospect of replacing their cars.

Nationalisation to blame, says Sir Keith Joseph

TWO TORY MPs criticised the Government yesterday for its handling of the British Leyland affairs.

Sir Keith Joseph, the shadow Industry Secretary, argued that too much nationalisation of the economy was to blame for the Leyland crisis.

payers' money to be matched by a wholly unrealistic sum which was to have been generated internally by Leyland.

Commercial vehicle sales recover

By Our Industrial Staff COMMERCIAL VEHICLE sales last month recovered from their depressed levels in January and February, 1976, according to the Society of Motor Manufacturers and Traders figures yesterday.

REPORTS FROM THE OVERSEAS MARKETS Bad publicity spoils the image

DAVID CURRY WRITES FROM PARIS: French concessionaires are worried about the effects of a continuation of the U.K. strike, but say that they are not under immediate pressure.

both are worried of the continuing effects of the already considered waiting times for Rover, Jaguar and models.

Table with 4 columns: BRITISH LEYLAND SALES OVERSEAS, End-Sept. 1976, End-Sept. 1975, Total, and % change. Rows include U.S., France, Holland, and Belgium.

The unsecret of our success. Friendly and efficient service in a dynamic economy is the winning combination that assured our growth into a city bank of Japan. And now we're developing into an international financial complex.

OTHER LABOUR NEWS Court ruling gives go-ahead on appeals

BY OUR LABOUR STAFF

MORE than 100 appeal cases which had been postponed pending a legal decision on the powers of health and safety inspectors will go ahead after a High Court ruling yesterday.

Executive had not been validly appointed. But in the High Court yesterday Mr. Justice Eveleigh said that the absence of a written document showing ministerial consent to the appointment did not invalidate his appointment.

In my view, once an inspector produces his certificates of appointment and his warrant card that is sufficient to establish his right to prosecute, he said: The Lord Chief Justice, Lord Widgery, and Mr. Justice Wynn agreed in allowing appeals by the health and safety inspectors against the dismissal of summonses brought against two companies—Walsend Slipway and Engineering Co. and Brims and Co.

A NEW survey of current company attitudes towards industrial democracy reveals that few have Amalgamated Union had either experience of worker directors or plan to introduce them.

'Lack of knowledge' over worker director

Pressure for more participation in many companies was not forthcoming from the survey, which was carried out by the Industrial Society and covering 51 major companies from the industries, found that only one industrial relations survey, the Industrial Democracy Survey, had got an employee representative on the main board and one other said it was considering such a move.

Unions blamed for plight

Trade unions are responsible for blocking legislative reforms which could help low paid workers, Mr. Frank Field of the Low Pay Unit claims in a new book published today.

Liverpool dispute hits five Dunlop factories

MORE THAN 4,000 production workers at five Dunlop factories in Britain were hit yesterday by a one-day strike called by workers at the footwear factory in Walton, Liverpool.

Shetlanders query copper mining plans

OPPOSITION is building up to the continued prospecting for copper at Vidlin on the island of Shetland, where a South African mining company, Messias (Transvaal) Development, has been sinking boreholes for the last six months.

Disabled hostel

MR. ALFRED MORRIS, Minister for the Disabled, visited Northampton yesterday to open Quarry House, a purpose-built hostel to give a degree of independence to the disabled.

Support for pit-based bonus

SUPPORT FOR a pit-based Derbyshire area productivity bonus scheme, as a motion at the National Mineworkers' annual conference in July, was secured by a vote of 1,000 to 500.

Official sacked

THE NATIONAL Union of Seamen's executive council dismissed the secretary of the South Shields Branch, Mr. Adrian Pomphrey, yesterday, for "internal reasons".

By-pass inquiry

A PUBLIC inquiry is to be held starting on May 3 into proposals for the Ipswich by-pass.

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The heart of the problem at British Leyland

By CHRISTIAN TYLER, Labour Correspondent

Shifting the burden

COMING shortly after the publication of the Government's Expenditure White Paper and shortly before the Budget, the latest Bank of England Bulletin and the latest report of the general sub-committee of the Commons Expenditure Committee inevitably cover the same ground.

experience as proof of the estimating problem but does not discuss the possibility of using some alternative target. Indeed, it specifically reiterates that the PSBR for the coming year will need to be kept within the limits agreed with the IMF.

Direct tax Yet it does acknowledge that the inflow of tax revenue has been unexpectedly high and fiscal policy perhaps unintentionally restrictive, making it possible to discuss the case for a limited relaxation of fiscal policy in the Budget.

IN THESE knowledge that the Government is not going to pick up all the pieces, the toolmakers of British Leyland may not, after all, be about to push the company over a precipice. It is still too soon to tell if their reaction yesterday has justified the gamble taken by the company, with the support of union leaders, to re-open all the car plants on Monday and sack all those who do not turn up for work—a joint ultimatum described by the Prime Minister as unprecedented in Britain's industrial history.

The immediate objective of the toolmakers—or at least the half of the 6,000 toolmakers in the cars group which is on strike—is for separate, company-wide bargaining as a step towards widening the wage gap between them and less skilled men. This goes to the heart of what Leyland itself sees as a major cause of industrial unrest—the large number of bargaining units in the group and the lack of a common settlement date.

The toolmakers of course are highly sceptical of their chances of getting what they see as their due bargaining weight through the AUEW, to which they belong. That is partly why they have pressed their defiance to such limits this time. They have failed—at least so far—even to persuade the AUEW or the company to meet them as toolmakers; discussions have had to be conducted through a forum of skilled men's delegates, in which only incidentally some of the toolmakers' strike leaders have been included.



Industrial relations problems are as much the unions' as the company's. Mr. Hugh Stanlon, President of the AUEW (left) and Mr. Peter Jones, Leyland's Personnel Director.

According to Mr. Moss Evans, national organiser of the Transport and General Workers' Union, such "occupational bargaining" would spread like wildfire through a large mass of car workers—from toolmakers, patternmakers, millwrights and electricians among the craftsmen down to lorry drivers and floor-sweepers. It could lead to a conflict between skilled and semi-skilled in which the TGWU, as the chief representative of the less skilled men, would certainly not allow itself to come off worse. In the long-term, he says, the toolmakers would do themselves no good. The only

What may seem a pernicious way of handling a major dispute, but it underlines the management's and the union's deep horror of granting anything like recognition to an unofficial body. It is not just a fear of constitutional disruption. The electricians, for example, have warned British Leyland that if the company gives way to the toolmakers it could find all the plugs pulled out in its factories. The toolmakers wish to be treated on their own as not new; they delivered an almost equally severe warning this time last year with a rash of strikes in the Midlands intended to make sure that the end of the 26 pay policy last July would provide scope for dealing with their problems. Instead, an almost equally rigid policy—the present £2.50-£4.00 limit—ensued. Back in the 1950s they set up their own, unrecognised, union; but that was effectively scotched by the other unions.

Leyland, too, has in the past pleaded for special exemption so that it can pursue the rationalisation of bargaining units in spite of incomes policy—a plea that is unlikely to be renewed now given the present tide of opinion against the company.

The toolmakers' scepticism, which can be found among other skilled members of the AUEW, is largely the result of their union's recruitment policy. To counter the inroads being made by the TGWU—illustrated by the TGWU's amalgamation with the skilled National Union of Vehicle Builders in the early 1970s—the AUEW widened its recruitment net so as to include a large proportion of unskilled men, diluting the craftsmen's bargaining strength.

There is at least a danger that in the present climate of the union-company working parties—one for staff, and one for hourly paid workers—will serve as much to revive the old shop-floor controversies as to lay the

foundations of the reforms envisaged by Ryder. Leyland would disagree. Indeed, the company appears to see the toolmakers' dispute as a real opportunity to persuade the unions to pick up the kind of proposals on bargaining structure and commonality of agreement dates which it has been urging on them for many months.

PSBR problem Since the monitoring of local authority expenditure raises special problems, this brings one to the second point on which yesterday's two documents are agreed, "the difficulty of forecasting the public sector borrowing requirement. The sub-committee refers to the evidence of a Treasury witness on this point and points out that the forecasting difficulty must make it harder to control the PSBR in relation to any target, such as that set out in the Letter of Intent to the International Monetary Fund. The Bank refers to recent

the foundations of the reforms envisaged by Ryder. Leyland would disagree. Indeed, the company appears to see the toolmakers' dispute as a real opportunity to persuade the unions to pick up the kind of proposals on bargaining structure and commonality of agreement dates which it has been urging on them for many months.

MANUAL WORKERS' AGREEMENTS IN MAJOR LEYLAND CAR PLANTS

Table with 4 columns: Plant, Number of agreements, Review date, Toolroom rate. Rows include Cowley, Longbridge, Castle Bromwich, Jaguar, Rover, Triumph, Llanelli.

Total hourly-paid workers = 90,000 in 58 bargaining units. Total in cars group salaried staff = 30,000 in 90 bargaining units.

Herr Schmidt needs an invitation

WHATEVER ELSE may be said about President Carter's foreign policy so far, there is clearly no sign of a Bonn-Washington axis. Mr. Callaghan, the British Prime Minister, has already been to the U.S. for consultations. Mr. Fukuda, the Japanese leader, is about to follow, but although two senior German Ministers have been there this week, there is still no news of a firm invitation to Chancellor Schmidt.

On human rights the Germans can claim with some justice that they, more than most peoples, have to live with the problem. There has been a running debate in West German politics for many years as to whether the best way to improve the lot of the Germans across the border is to denounce the practices of the East German authorities or to seek accommodations by small steps. In recent years the tendency has been to prefer the latter course. The West German Government is not necessarily right about this, but at least it has experience and it is experience worth consulting. The Germans also have something tangible to lose if the Carter policy misfires.

Experience The trouble with the nuclear deal—which was already a matter of dispute under President Ford—is that it has probably gone too far for the Germans to be able to back out. It is more a question of trying to limit the potential damage. According to the U.S., there is a danger that Brazil could use the access which the Germans are providing to the full nuclear fuel cycle to become a nuclear power. According to the Germans, there are adequate safeguards to prevent this. The Germans may be wrong, but the safeguards presumably could still be tightened. It is that issue which now needs to be pursued.

Entrenched Yet it is on the economic front where the argument is in danger of becoming most bitter. President Carter has made no secret of his desire to see the Germans relate, while Chancellor Schmidt has been no less blunt about his refusal to do so—at least without some accompanying action by the U.S. and Japan. What is happening as a result of the near public debate is that both sides are getting into entrenched positions, from which neither will find it easy to retreat.

The argument about standardisation of military equipment is an old one and is, in fact, between the U.S. and the whole of the European end of the alliance. Basically, it is agreed that standardisation is a good thing, but the dispute concerns the apparent reluctance of the U.S. to buy European. At the present, the Germans are complaining that a competition between German and American tanks was rigged in the American favour. Without going into the merits of that particular case, it seems likely that there

It has long seemed one of my duties to pass on less comprehensible offerings of Government material, so I ought to be pleased to see a contest devised "to find the most ridiculous and burdensome examples of Government bureaucracy."

MEN AND MATTERS

Checking the car ads.

Bad time to be hard on British Leyland, but the company's advertising has got it into hot water now. The estimable Advertising Standards Authority, in its latest report of complaints investigated, found two cases proved against Leyland.

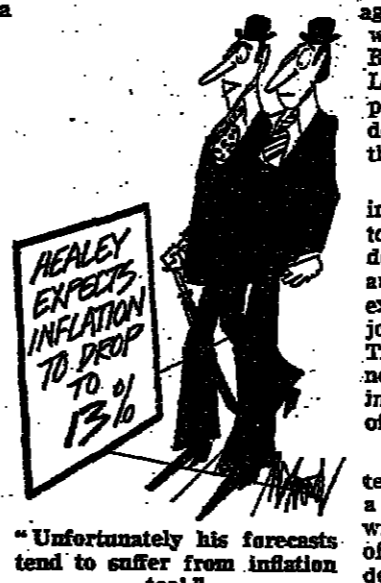
First, someone complained about the advertisement which talked about a car giving "the feeling of utter safety at the highest speeds." The ASA agreed that it was never possible to be safe at the highest speed. Then there was a complaint from a motorist, living, somewhat appropriately, in Redcar, who was unhappy about the publicity which said "So whatever kind of car you are looking for, you will find it in the Leyland Cars range."

Burdensome

It has long seemed one of my duties to pass on less comprehensible offerings of Government material, so I ought to be pleased to see a contest devised "to find the most ridiculous and burdensome examples of Government bureaucracy."

Algarve travels

There is a good deal of perplexity at the moment around the London headquarters of Norwest Holst, the building and civil engineering group. Earlier this week, to the professed mystification of the present management, a Department of Trade enquiry into the company was launched. Perhaps things will be more relaxed in Portugal, where chief executive Ted Brian is headed in the next few days.



"Unfortunately his forecasts tend to suffer from inflation too!"

Miracles

Black humour. A former senior civil servant raised a laugh at a conference on economic survival and innovation in London yesterday. Terry Price, now secretary-general of the Uranium Institute, was talking about companies carrying on business in a competitive environment in order to make a profit. "I am not of course speaking of the public sector," he added quickly, "where survival after death is a well-documented phenomenon."

ago the Le Mare holdings almost went to two other directors, Raymond Slater and John Lilley, who already owned 30 per cent of the equity. The deal was, however, stopped by the City Takeover Panel.

Brian says a major priority is to gather some good management together. "The potential in Portugal is enormous and as one of the few foreign building companies who never completely pulled out of the country and now anxious to expand again, we are being well received, particularly by the banks."

He reckons that the inquiry will either be concerned with events before his arrival in 1975 or will involve the position of some shareholders. Over a year

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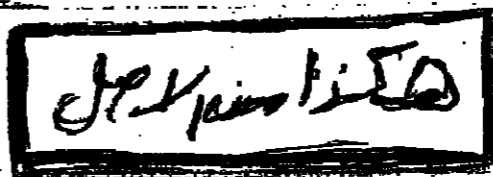
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# EEC/JAPAN TRADE SYMPOSIUM

**INTRODUCTION.** Over 100 leading businessmen, Civil Servants, M.P.s, academics and journalists gathered in the Ballroom of the Carlton Hotel on Wednesday, 16th February, for a day of candid discussion on the "Present and Future Economic Relations Between the EEC and Japan,"—a seminar sponsored by the Japan Economic Journal.

A distinguished panel of six speakers, chaired by Julian Ridsdale, C.B.E., M.P., presented new facts and elucidated old ones on the Anglo-Japanese trading relationship. On an encouraging note of frankness, without rancour, the speakers agreed as to the major issues, but often diverged on their interpretations. The day was characterised by a general willingness to see the other point of view, and make constructive suggestions for the future. The following comments are summaries of the speeches given by the panel on that day.

## The current position between Japan and the EEC and how Japanese-European economic co-operation can take place.

BY YOSHIHIRO NAKAYAMA, EX-AMBASSADOR TO FRANCE.

YOSHIHIRO NAKAYAMA, formerly Japanese ambassador to France and to Vietnam, has laboured in economic affairs throughout his distinguished political career. His positions include Deputy Director-General of the Ministry of International Trade and Industry, Director-General of the Economic Bureau and most recently, leader of the Economic Investigation Commission in 1975.

As an ambassador, I have spent many years from home so during my past year in Japan I have been making a special effort to expose myself to traditional Japanese culture. One thing I frequently sense when watching Kabuki plays is the general public's ability to comprehend extremely complex psychological and moralistic situations such as conflicts between loyalty to one's feudal lord and affection for one's family, the conflict between romantic love and social obligations. Although the problems facing the current Japan-Europe relationship are of a more modern nature than those presented in Kabuki plays, I am confident that the Japanese knack for resolving complex situations will be of use in solving the knotty problems of Japan-Europe relations.

Since the Meiji Period, beginning in 1868, there have been two traditional schools of thought on Japan's proper position in the world. On the one hand is the "Asia is one" doctrine represented by the philosophy of Okakura Tenshin in which Japan's destiny lies with the other Asian nations. On the other hand is the "emerge from Asia" doctrine advocated by Fukuzawa Yukichi which reached enlightenment during the Meiji Period. Fukuzawa believed that Japan should not be dragged into the world and not be tied to Asia.

Post-war Japan has had no choice but to emerge from Asia but there still remains a lingering feeling of a "Pan-Asianism" of sorts and a tingling feeling of guilt or remorse toward other Asian countries.

Japan started from scratch after the War. She re-built her economy in observance of free trade principles and through technological developments and diligent, honest labour. Thirty years later Japan is regarded as an economic power and, in a less complimentary sense, some

even call her an economic animal. Politically Japan has progressed on the basis of a democracy dedicated to peaceful diplomacy. Only recently has the average Japanese realised that economic relations between Japan and Europe are not progressing as smoothly as they should be.

The European reception of the Doko mission caused great controversy in Japan. Improving relations between Japan and the Economic Community is one of the most vital questions facing Japan today, along with the Carter administration's new domestic and diplomatic policies. There is no miracle drug for improved Japanese-European relations. Progress will only be made gradually, and only if there is mutual goodwill and sincerity.

But just how do Japan and Europe perceive each other? Because of the Japan-US security treaty, Japan's relations with Europe are strategically not so close. Nevertheless, we Japanese think of Europe as one of the greatest treasure houses of human civilisation and believe that the prosperity and peace of Europe has an enormous impact upon the world. For Japan, who possesses no natural resources other than human ones, trade is vital. If the Malacca or Lombok Straits were closed for even one day, Japan would face an immediate political and economic panic.

Pacifism is the basis of the post-war Japanese constitution. We are attempting to ensure our national security by keeping armaments to the minimum defence capacity, relying upon the Japan-US security treaty. Maintaining amicable relations with all nations, including China and Russia, is the key to achieving this goal. Our dedication to pacifism, which was underlined last year when we signed the non-proliferation treaty, could be considered a major contribution to détente.

As is the case in Europe, Japan is being chased out of various markets by the emerging developing nations, which export textiles, ships and other goods. Even if a bit tardy at times, Japan has, for the most part, been co-operating within the framework of the IMF, GATT, OECD, UNCTAD, and CIEC. Yet the argument that the Japanese market is kept closed to trade and investment through the use of non-tariff barriers is frequently made.

In response, I would say that Japan is just as diverse and complicated a society as Europe. We Japanese are not saying that it is entirely your fault that you have not mastered the intricacies of Japanese society. We agree that we should make more effort to open our market to you. At the same time we want you to be aware of how hard we have worked to understand the Western European market.

While Japan is accepted as an economic giant, she is also regarded as a political dwarf. I believe, however, that economic strength equals political strength. Japan is willing to assume both her economic and political responsibilities. The road Japan must follow is not that of a military or nuclear power, rather, we must contribute to the well-being of the world and to later generations through economic aid to developing countries. I firmly believe that part of our trade surplus should be directed towards such assistance and cooperation.

Europe is both a corner-stone and index of world peace and prosperity. It is also a mirror in which Japan maintains a balanced perception of the world. I personally believe that a more direct political pipeline between Japan and Europe must be established and that, in spite of current difficulties, the time will come when this will be given top priority.



## Political aspects of the relationship between Japan and the EEC.

BY RODERICK MacFARQUHAR, M.P.

RODERICK MacFARQUHAR, M.P., has been a reporter for the Daily and Sunday Telegraph, specialising on China, a reporter for Panorama, and co-presenter of the B.B.C. World Service programme "24 Hours." In 1974 he became P.P.S. to the Minister of State in the Foreign and Commonwealth Office, and since 1974 a Labour M.P. for Belper.

There can be no doubt that the findings of the Doko mission to Europe last Autumn caused a considerable shock in Japanese business and government circles and among the media. Defiance and insecurity were the main characteristics of this reaction. There were even Japanese allegations that European attitudes on the trade question were racist in tenor. This misinterpretation probably arose because we assume confrontation and dispute as part of the bargaining process, where the Japanese may seek consensus while maintaining a polite front.

Another allegation, and one which is also bandied about within Europe, is that Europeans have lost the work ethic—that we do not try hard enough. It is true that leisure is probably regarded as more important in Europe though there are signs that the Japanese are seeking to emulate us. They are certainly among the world's most ubiquitous tourists and, judging by the driving ranges dotted about Japanese cities,



From left: Mr. P. Wilsner, Mr. Y. Nakayama, Mr. Y. Takeyama, Mr. R. MacFarquhar

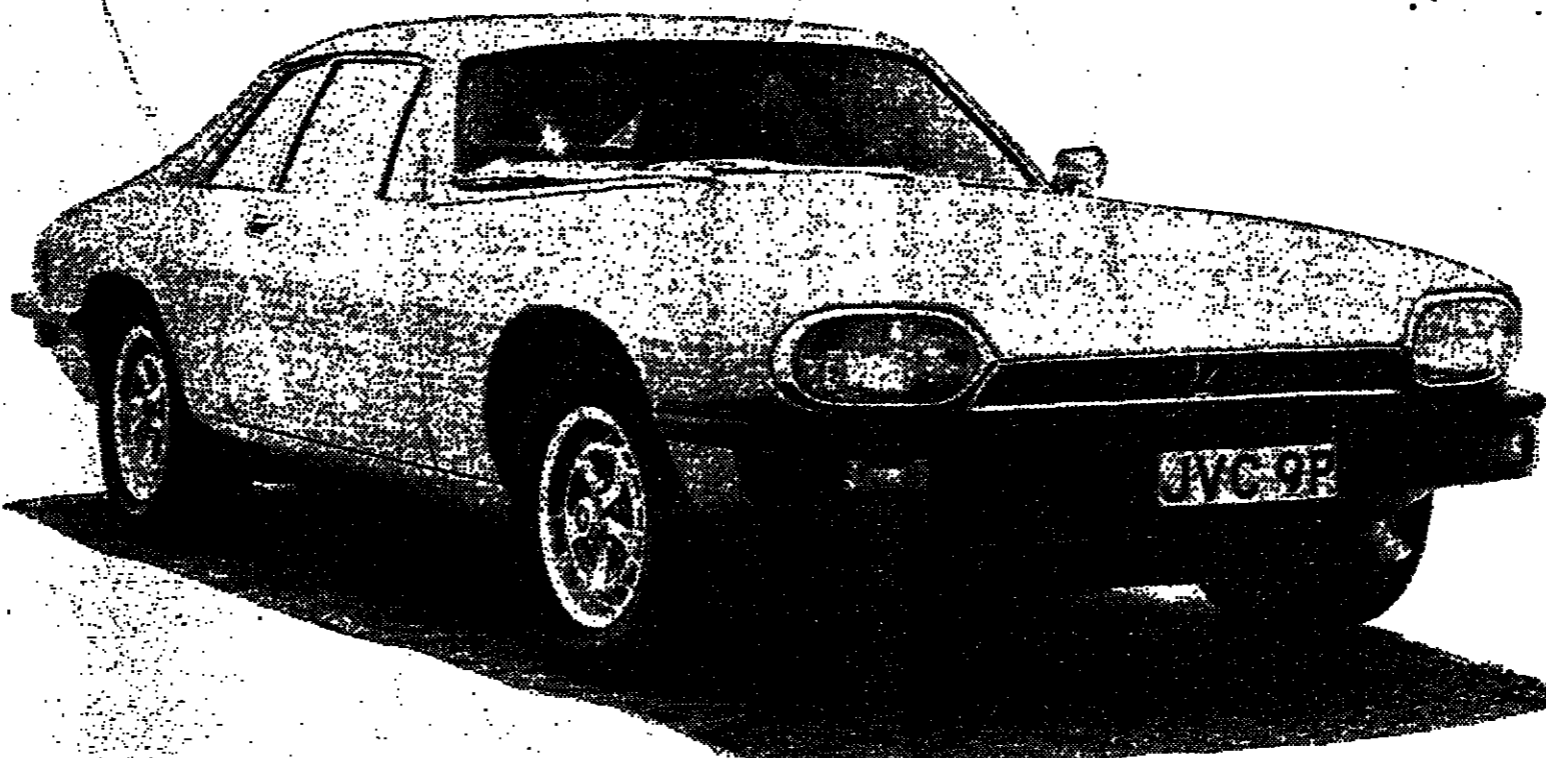
not be praised instead of being awarded a dunce's cap? Where have we gone wrong? What do you want of us? They ask, not out of politeness, or hypocritically, but are genuinely puzzled and concerned. If I am right and there is underneath the defiance some insecurity, I would suggest it may spring from a number of factors.

Strange though it may seem to Europeans, I believe that the Japanese still think poor. Their economic growth is a relatively recent phenomenon and I would suggest that their pervading, if subconscious, folk memory is of the desperate times in the immediate post-war period, just as British working people still remember the unemployment of the 1930s.

Secondly, I would guess that Japan's isolation for most of her history has not yet allowed her a built-in sense of her own place in the world. I sense that the Japanese are an intensely proud and rightly self-confident people who, when international crises occur, suddenly wonder if they have totally misjudged themselves.

Thirdly, among the industrialised democracies, Japan is the only one that is not of European origin and therefore lacks the multiplicity of cultural and family ties that binds the others in intangible, but nevertheless, powerful ways. Added to this may be Japan's uncertainty as to what a century of hectic absorption of foreign culture in all senses of that term has turned her into.

Japan's conception of herself is further complicated by the fact that she is the world's first economic super-power not to carry what might be considered the equivalent military punch. The recent successful book, "The Silent Power; Japan's Identity and World Role", refers to a "state of questioning among Japanese themselves that is recently so relentless as to constitute a national identity crisis." The book also points out that Japan has recently experienced what it calls an introspection boom. Apparently, in 1972 alone more than forty new books were published on the theme, "What is Japanese?" I think that



# Drive right into the Japanese market! -like British Leyland.

### Leyland Japan Ltd.

This is the name of the joint company formed by British Leyland and MITSUI. As a result British cars will soon begin to flow into Japan, Jaguars, Triumph TR-7's, and later, Rover 350's... at the rate of 2,000 in the first year and 4,000 a year by 1980. The prestige of these famous names is enhanced by rationalized marketing and distribution, reasonable prices, a country-wide service network, and the high reputation and unrivalled experience of MITSUI.

It just goes to prove that the Japanese market can be penetrated. And if one British company can do it, why can't you?

### MITSUI imports to Japan

Total MITSUI imports into Japan in 1975 reached massive US \$5.17 billion. The huge range of goods we imported from Europe included chemicals, pharmaceuticals, textiles and fashion goods, foodstuffs, wines, whisky and cognac, packaging and process machinery, ceramics and classic furniture, and many more.

MITSUI's shopping list this year includes, among other items:

- Machinery—machine tools, automatic packaging machinery and food processing machinery, gas equipment and appliances.
- Chemicals—dyes, pigments and intermediates, food additives, amino acids, aromatics, normal paraffin, and alcohol.
- Pharmaceuticals and anti-biotics.
- Foodstuffs—frozen meat, wine, brandy, snack foods, tomato paste, tinned foods, cheese and dairy products.
- Textiles and clothing, fashion apparel, ladies' and men's wear, and sports wear.
- General merchandise—carpets, sporting goods, home appliances, bicycles, gum resin, furniture, tiles, jewelry and gold ornaments.

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## Japan and Europe: A View

BY YASUO TAKEYAMA, MANAGING DIRECTOR, THE JAPAN ECONOMIC JOURNAL.



YASUO TAKEYAMA joined the Japan Economic Journal in 1947, progressing from Foreign Correspondent to Deputy Economic News Editor to Chairman of the Board of Editors, and in 1975 to Editor-in-Chief and Director-General. Mr. Takeyama resigned his many positions on governmental Advisory Councils in 1976 to devote all his time to the Japan Economic Journal.

# EEC/JAPAN TRADE SYMPOSIUM

Nevertheless, I think our EEC should be aware of some common Japan:

The Japanese believe that voluntarily restrained export products may still be with Japanese and, perhaps, products, so that the EEC may not instantly revive.

I wonder whether European has worked as hard to exploit the J as their ancestors, who came to or as hard as Japanese businessmen to exploit the European markets. Japanese have long held a special you and your products.

Japan has already begun post the EEC to find mutually benefit rescue measures. Trade has # developments in the export of c and the relaxation of the autarky regulation system.

In the monetary field, Japan i mitted to disburse an additional - 3 billion Base! Safety Net. Sche the sterling pound. Previously, burden in the IMF relief sche; sterling pound amounted to £3.9 forthcoming summit conference, I

1. That an effective economic ordination plan will be agree include industrial adjustment, pollution control and mapi dardisation.  
2. The current ad hoc "recyclin of accumulated petrodolla improved, thereby correcting balance, particularly in the no countries.

Unless the European communi the U.S. straightforwardly face the global economic problems with co scriptions calmly and unemotiona be the losers. With this in mix Press institution recently held symposium in Tokyo. This symq followed by a full-fledged, tri-lats conference, comprised of ten I American and five Japanese jour this autumn.

As a result of the oil crisis the was hit by rampant inflation, depends on imports for 99.7% of crude oil, suffered an especially in prices, which in turn forced a Japanese government and the E therefore took restrictive fiscal measures and thus the vicious c prices and wages was checked.

Thereafter, the Government an Japan shifted the main target of policies from the stabilisation economic recovery, gradually i restrictive policies. Recently, inflation rate has begun to increase There is increasing belief that

In Britain we have indulged in too much introspection, when we should have been getting on with the job and, I hope, the Japanese will learn something from our experience in this regard.

On trade, the facts are simple and the most important is this: manufactured goods account for over 50% of the imports of all the major industrialised democracies except Japan. In the case of Japan the figure is only 20%. To a limited extent that massive discrepancy can be accounted for by Japan's virtually complete dependence on imported raw materials, but I believe it is more a reflection of a different approach to the whole concept of international trade.

To Britain it meant that in 1976 we bought Japanese goods to the value of £796m., but were only able to sell Japan £359m. worth, less than half of what Japan sold us. Now, if it were just Britain that was so heavily in the red to Japan, I expect there would be a tendency for the British to suspect that the fault was all ours, lying with salesmen, productivity and ours, lying with our management, but it is not just attributable to our management, but it is not just about the same as ours and no-one would accuse the Germans of falling down on the job, certainly not in European terms. The total EEC deficit is of the order of \$4bn. Now these deficits are not caused by high Japanese tariff barriers or by import quotas, though Britain is affected by the quota for leather and leather goods.

There have been a number of what might be called informal barriers to imports: stringent safety and testing requirements for cars, marine equipment and pharmaceuticals. The pricing and distribution policy of the Japanese state tobacco monopoly has also caused difficulties for our tobacco manufacturers, but it has to be said that there have been a number of significant modifications in Japan's import policies. There are still, however, some specific concerns, such as customs duty and alcohol tax on whisky, emission standards, tobacco pricing policy, etc., that Britain would like to see adjusted.

We may not have initially approached the Japanese market aggressively enough, but recently Britain has put considerable effort into it. The export marketing centre in Tokyo is our only trade centre anywhere in the world where more than five hundred British companies have participated in about forty officially sponsored exhibitions and plans for future exhibitions stretch to the end of the 1970s.

At home, the BOTB's exports to Japan unit, staffed by experts on the Japanese market, provide a link with the Tokyo centre and specialist advice for British exporters. Exhibitions and trade missions have been mounted. The Japan task force, composed of representatives of the Japanese Chamber of Commerce and Industry in London, JETRO, the BOTB, the CBI, the Department of Trade and the Foreign and Commonwealth Office was established last December.

To be constructive, I believe that this intense British effort will be rewarded by increased sales, particularly in those lines which Japan regards as growth sectors. In the short term, however, we need some breakthrough sales, for instance, aircraft like the BAC 1-11 or defence equipment.

Without minimising the concessions which the Japanese have taken considerable trouble to make, and the intensive British trade effort, I believe that if Japan is to continue her policy of selling intensively over a limited range of goods in the European market, then she must encourage the import of foreign manufactures.

Japan is far more dependent upon its exports to Europe than vice versa. If there is not a reciprocity of willingness to open one's markets, then I foresee that the kind of restrictions placed on ball-bearings recently will probably be applied

on other Japanese products precisely because Europe sells so much less to Japan than she does to us. We have much less to lose from a trade war in the long term.

I believe that we must avoid another "Doko shock" by greater and more regular communication. I think the foundation of the Japan task force as a joint Anglo-Japanese venture is a splendid example of how to communicate with business and government in both countries and hope that similar organisations will be established. Equally, an appropriately expanded institutional arrangement should be organised with the EEC.

I agree with the suggestions that the OECD should be used as the framework for an on-going, almost continual contact on economic prospects. If the shipbuilding crisis makes anything clear, it is that no major industrialised democracy should make plans for massive new investment in an area of international importance without consulting with others and attempting to reach agreement on how to set about it.

We do not have to envisage an end to international competition, but I think we may have to work towards a system of managed markets in the sense that certain growth calculations as to size of the market should be made and investment intentions co-ordinated to ensure against massive over-capacity in the world.

Secondly, I think there should be regular meetings between the EEC Council of Ministers and Japanese leaders, so that discussions on critical problems can be held without an atmosphere of crisis. It might be worth exploring how President Carter and his foreign policy team intend to put into practise their trilateralist ideals.

Another complaint to be dealt with is that Japan gains industrially by spending only a tiny percentage of GNP on defence as compared with the NATO allies. I do not suggest that Japan should reverse her current defence policy, but that Japanese policy makers might ponder assuming an equal burden in some other sphere. For instance, Japan contributes 0.2% of GNP to overseas aid. Now, if Japan re-thought her aid policy and raised it rapidly over the next few years to say, 2% of GNP, directing much of the expansion to South Asia, that would help to remove European resentment, help people in the third world, and enhance Japan's international status.

I am very conscious that most of the proposals I have made involve action by Japan rather than by Europe. So I should stress my very strong conviction that it is Europe rather than Japan that should bear most of the blame for mutual misunderstandings. Europe has failed to take the trouble to try to understand Japan, whereas the Japanese have been only too diligent students of Europe and the West.

Europe has studied China more than Japan because the Americans have helped fund European-China studies. Japan has invested millions of dollars in developing Japanese studies in America, but much less in Europe where the need is greater. If Japan sincerely wants to help Europeans understand her, she should remedy that imbalance of investment.

I would propose the creation of institutes or professorships of Japanese studies at three or four of the premier universities of Europe, to train economists, political scientists, sociologists, modern historians and lawyers, who will subsequently take their place as members of conventional academic departments in other universities, who just happen to specialise on Japan and who very definitely have Japanese language competence. This will only happen if there is money provided from Japan specifically for such posts in universities. In Britain, I would propose concretely, that Japan should fund a new institute of Japanese Studies at Oxford named after Sir George Sanson who did

so much to explain Japan past and present to Western audiences.

Everyone in the room has an interest in co-operation and so must constantly preach and practice it. If not, Euro-Japanese trade relations will continue to deteriorate with incalculable economic and political consequences for all of us.

The crucial problems which have been on my mind since my visit to the European Community in Brussels last September are:

- 1. What kind of community of interest do we, Europe and Japan, share and what are we aiming for?  
2. What do we really mean to each other?  
3. Is Japan merely a "trade threat, not a partner" to Europe, as some European journalists conveyed to me last September?

If one recognises and wants to foster a "community of interest," one may expect it to be based on geographical proximity, some kind of complementary economic relation and commonly shared ideology and culture. Europe and Japan, unfortunately, lack the geographical proximity. European defence appears oriented towards the Soviet Union and, as a result, the Soviet Union-China relationship. Economically we are both industrialised nations with few natural resources, unlike the relationship which exists between Japan and Canada, Australia, the Soviet Union, China and even the U.S.

Our mutual industrial structure and accordingly our trade pattern is, roughly speaking, not complementary. Without vigilance, continuous effort and creative imagination on both sides, it will be difficult to achieve a mutually beneficial division of labour and all too easy to alienate each other and end up common losers.

The basis of the Japan-EEC "community of interest" then, is our shared common democratic values and efforts towards a humane civilisation. Japan's first encounter with Europe in 1542 was when the Portuguese arrived and introduced the gun. Throughout Japan's history, particularly since the Meiji Restoration of 1868—the beginning of modernisation—the Japanese people, I believe, have held a one-sided "sehnsucht" for Europe; for the last hundred years our national goal for the building of a modern Japan has been to emulate Europe.



## The present economic situation in Japan and her future policies

BY TOSHIHIKO YOSHINO EXECUTIVE VICE-PRESIDENT OF YAMAICHI RESEARCH INSTITUTE.

TOSHIHIKO YOSHINO was for 24 years the Senior Economist in the research department of the Bank of Japan and was appointed the Executive Director of the Bank in 1970 by the Minister of Finance. After retiring in 1974, he joined the Yamaichi Research Institute of Securities and Economics Inc. where he is now Executive Vice-President and Director-General.

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EEC/JAPAN TRADE SYMPOSIUM

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Japan and Europe Today :

A VIEW BY PETER WILSHER SUNDAY TIMES FOREIGN EDITOR DESIGNATE



PETER WILSHER. After taking a B.A. in mathematics at Cambridge University Mr. Wilsher worked as a financial journalist on a series of provincial newspapers and, in 1967, became Business News Editor on the Sunday Times, specialising in international economic affairs. He has visited Japan three times and is now the Sunday Times Foreign Editor designate.

EEC/JAPAN TRADE SYMPOSIUM

U.S.A., West Germany, and Japan, which relatively stable economy, should take initiative in adopting an expansionary policy for the international economy.

Japan is recognised as one of the major of the world, with a GNP which accounts for 10% of the aggregate of the 24 countries of OECD. Her economic activities have a impact on the global economy and she longer consider only her domestic circumstances.

The recently formed Fukuda Cabinet used Japan's vital role in putting the economy back on a recovery course. Though Japan's real GNP growth of around 1976 was largely attributable to expanded to the revived American economy, and reliance on exports in 1977 must be as many countries still suffer from us deficits in their balance of payments high rate of unemployment.

Though Japan needs to stimulate her domestic and increase her imports, present circumstances are not favourable to doing so. Core is at the moment are unwilling to make investments, due to restrictions such as price of energy and the low operating their production capacity. Corporate earnings not recovered their past peak level, some improvement has been made.

In a climate capital spending and personal consumption are also unlikely to increase, so, to domestic demands a programme to increase spending and to stimulate private construction must be introduced. Accordingly government boldly expanded its budget for Fiscal Year 1977 by 17.4%, works expenditure was increased by 21.4% Treasury investment and loan programme

Important monetary side, Japan's bank reduced considerably in 1975 from 9.0%. Since then it has remained on the same level in the meantime short term rates on have gradually declined, and quite recently in has been made to lower subscribers' new corporate bonds.

Promotion of imports through the expansion of rates will be Japan's most important to the recovery of the global but she will also be increasing her aid to underdeveloped countries, whose even more pressing in the wake of crude oil prices. This economic aid contribute to the revival of international recipients increase their imports and countries.

In the past the IMF, the BIS and the central various countries have advanced large of credit to the United Kingdom and the England whenever the pound sterling red a crisis. Japan has not only co- in each case, but has increased her commitment each time. In September an provided \$90 million, which was only 1% of the total given to the Bank of In June 1976, Japan's commitment was lion, or around 11% of the total, and in contribution from GAB facilities, Japan ed 16.3% of the total, compared to her 9%. Also, Japan's quota in the IMF has ch time the fund called for more work, as has the ratio of Japan's quota to the

In aspect of Japan's international co- involves last Summer's criticism from at the Bank of Japan was pegging the ing rate at a low level. I do not believe Bank of Japan did this intentionally.

However, they have intervened in the foreign exchange market from time to time, in order to minimise short fluctuations in the exchange rate. The nature of the floating foreign exchange rate system makes it obvious that the monetary authorities cannot intervene in the foreign exchange market against actual market trends.

I personally believe that when the strength of the yen declines in response to the rise in the price of imported crude oil, and when domestic demands slow the growth of exports, it will still be necessary to maintain the yen rate at a relatively strong level against the dollar, even if it means a decrease of existing gold and foreign exchange reserves.

The fifth remedy, lowering and abolishing various trade barriers, has already begun. In 1960 the list of restrictions included 120 items; this has now been reduced to 27.

Concern has been growing over Japan's favourable trade imbalance with the EEC and the USA, which seems to rise every year, but you must also consider Japan's \$10 billion trade deficit to the oil producing countries and her \$2 billion invisible trade deficit, based on huge outlays for port disbursements, insurance and foreign travel expenses. When these sums are deducted, the current balance between the EEC and Japan will show a surplus of less than \$2 billion in Japan's favour; not a large figure. Generally speaking, I do not subscribe to the belief in balanced trade between two countries, or two blocs, as it is based on the ideas of the open account system, which, if followed, would diminish world trade.

In the past, there were numerous Japanese products which were charged with "dumping". Lately, however, as a result of investigations, these charges have ceased, which proves that Japanese products' export prices are not notably lower than their domestic ones.

Also, the preferential export financing system does not currently exist. Before, when I was at the Bank of Japan, we used to discount export bills brought to us by city banks at a rate lower than ordinary commercial bills. This practice, however, was abolished in October 1972.

Again, the long term deferred payment conditions set down by the Export Import Bank of Japan are no more lenient than the rates agreed upon by the OECD. Japanese products win on their competitive powers unrelated to price, such as superior quality, speedy delivery, good follow-up services and efficient sales networks, which are the results of our efforts towards modernisation and rationalisation.

On the trade barrier question, I would like to note that Japanese exporters also face trade barriers, yet they succeed, because their products meet the standards and the consumer needs of the importing country.

It is sometimes said, "The Japanese people work too hard, while their infra-structures, including the sewage system, remain underdeveloped. How can we compete with them on equal terms?" In some cases this is true. However, if investments in the construction of sewage systems continue to climb at this current rate of 30% per year as was suggested in the Fiscal Year 1977 draft general budget, our infra-structures will be developed more rapidly.

Unlike my generation, young Japanese today believe they are here to enjoy themselves and often look to the government's welfare programme to support them. Therefore, I believe working hours will be shortened and the social security system expanded. It is probable that in one or two decades Japan's infra-structures will match those of Europe today.

We have a disturbing phenomenon in this country—the worker who works too hard and too efficiently for his own good. He builds up his output, beats all the production records, takes maximum advantage of all the performance incentives going and generally follows the exhortations of his employers, his government and even his own union leaders—at least when they are talking in their role of industrial statesmen and men with a care for the balance of payments.

But then, to his bewilderment and growing distress, he discovers that his apparently praiseworthy performance is totally unacceptable to the men who actually work beside him on the bench. They ask him to slow down, to moderate his achievements and to conform more closely to the average levels maintained by his mates. If he refuses, they may ultimately have him expelled from union membership thus making it impossible for him to continue earning a living at his chosen trade.

Obviously, I am trying to draw a parallel. The Japanese economy is the over-enthusiastic worker and the rest of the world, particularly Western Europe, plays the collective part of his recalcitrant colleagues, who he undoubtedly outshines in energy, single-mindedness, adaptability and possibly even moral stature, but on whose continued tolerance and co-operation he is still, in final analysis, forced to depend.

When people ask me, as they frequently do, why Japan works so well—both in the industrial relations and the mechanical engineering senses of the expression—I have a variety of answers, but essentially they boil down to three simple observations.

First, Japanese, when faced with a problem, make it their business to read, comprehend and absorb everything that has been written or discovered about it anywhere else in the world and then apply the solutions thus discovered in a con-

scientious, systematic way that extends to every detail of the matter. This approach extends into all the organisation, managerial, financial and human relations aspects of industry.

This is the second reason for Japanese success—the facility with which people at all levels of Japanese businesses and institutions are brought together to form an effective team. Individually, I am not sure that the Japanese people are any more effective than any other people. Her strength lies in her ability to harness the often quite ordinary talents, energies and ambitions of thousands of people to achieve a collective aim out of all proportion to the sum of its individual components.

The nationalist claim, if it were ever to be expressed in such egotistical and impolite terms, would not be that one Japanese can beat any ten Britons, Frenchmen, or what have you, but that any one hundred Japanese could comfortably outperform most other similarly sized groups around the world.

This suitably introduces the third factor, which carries Japan a quantum jump beyond the rule of the copyist to which the previous generation of Westerners had her comfortably assigned. Japan reads, marks, learns and inwardly digests what the best people elsewhere are doing all right, but as one earnest young Japanese banker once put it to me, "We'll take anything from anywhere if we think it's good and what we're looking for, then we won't rest until we have made it 5% better."

It is that 5% that stirred the international trading community and it is in making that 5% acceptable that the only possibility for peaceful co-existence lies.

There is really nothing to fear, Japan is a small factor in the world market. Its exports are dwarfed by other people. Its currency policies are entirely in accord with the IMF's instructions.

Its tariff and non-tariff barriers are so small as to be virtually invisible and all the rest of the now familiar case. And yet people are still afraid. They have seen Japan's efficiency in action and the things it can do to individual firms, markets, industries and even whole communities.

Japan, as I am sure I don't need to tell anyone here, is a country of great gamblers—a Japanese will put his money down on anything—but sometimes, in order to create contests which are both open enough to interest participants and unpredictable enough to attract the punters, the art of handicapping must be employed.

Unless I miss my personal bet, most of my Japanese listeners here today will be golfers, and golf is in many ways the final justification for the handicapping approach. There it is possible, by judicious manoeuvring of a few well-recognised performance statistics, to allow the most miserable and ordinary player to meet on more or less level terms the champion of the world.

All golfers the world over subject themselves to the laws and disciplines laid down by the Royal and Ancient Club of St. Andrews. Japan, Britain, our European neighbours and most of the rest of the world are members by mutual agreement, and in the hopes of mutual benefits, of the general agreement on tariff and trade. Within that framework, or some extension of it, it should surely be possible to devise a set of rules which might well include some agreed application of the handicapping principle to which all felt able to subscribe without bickering to a point where the game has been ruined.

That point, I fear, is very close now. In conclusion I can only recall to your minds my opening remarks on the agony of the over-eager English worker, as I described him earlier, and remind you that international trade, like any other exhilarating and testing game, is not much fun to play by yourself.

International competition and internal structure of Japanese and UK companies

BY PROFESSOR R. DORE, SUSSEX UNIVERSITY



Professor RONALD DORE is a sociologist who has studied many aspects of Japan. He has lectured at the London School of Economics and the School of Oriental and African Studies, became a professorial Fellow of the Institute of Development Studies at the University of Sussex in 1970 and was elected a fellow of the British Academy in 1974.

While there may be a number of artificial institutional barriers to the expansion of British exports, there is also a general feeling in recent years that the Japanese are gaining, and we are losing in fair competition for quality, reliability and delivery dates in the open market. There is also a good deal of speculation about

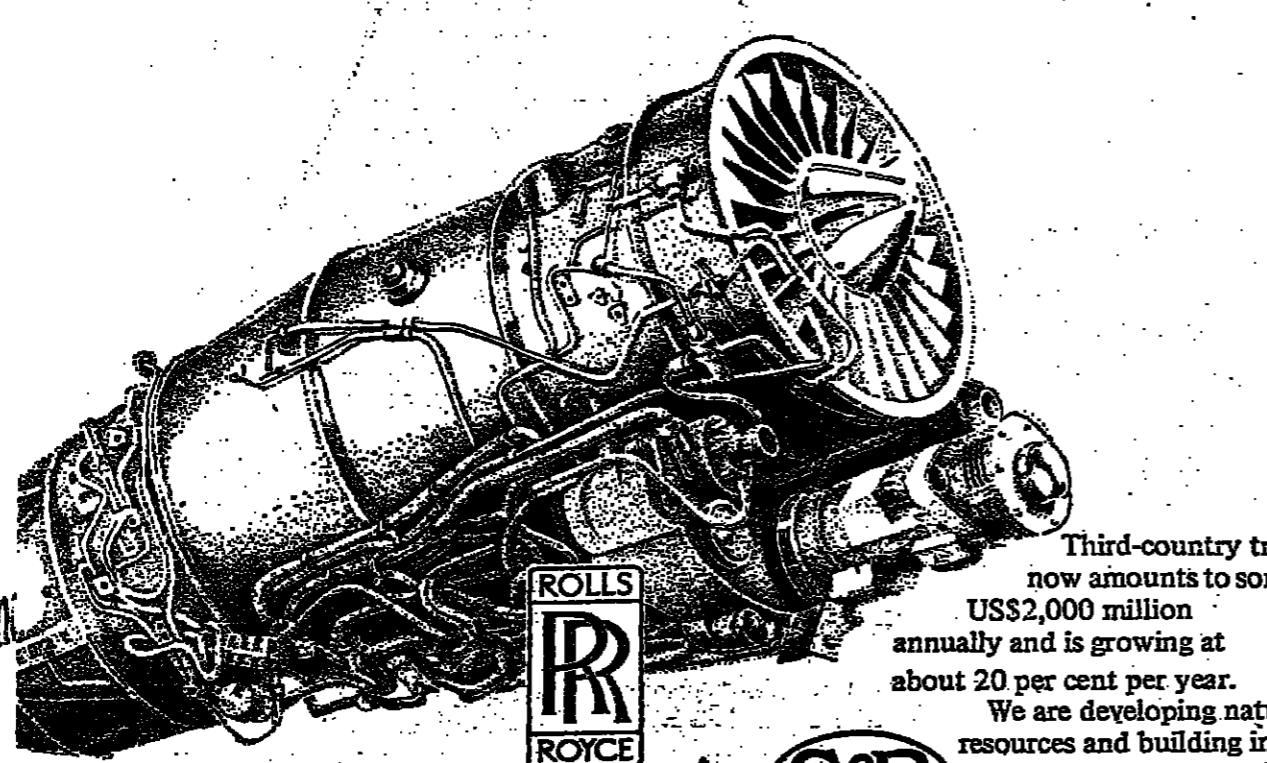
why this is so. The major factor is that the Japanese invest much more in their industry than we do. In 1965 to 1972 they invested 39% of GNP compared with 19% in Britain in a comparable period. That means that the average Japanese worker is equipped with far more productive and

sophisticated machinery than the average British worker.

Secondly, there is a difference in attitudes. We all know the stereotypes: the Japanese work harder; they never get to see their families, because they are in the office all the time—unless they are out on the golf course playing dory golf with a customer.

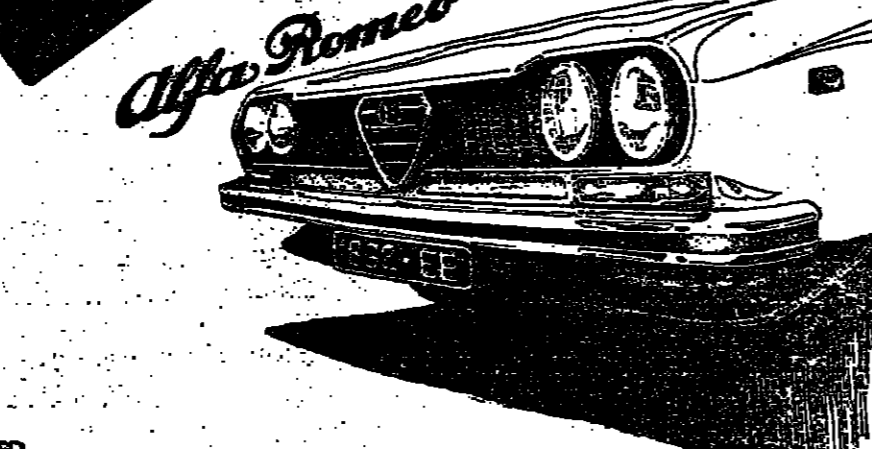
They are terribly serious about life. Every Japanese carries a tremendous sense of guilt that whatever the subject, he does not know enough about it, whereas the Englishman assumes that he knows everything about anything. And so on, the stereotypes are crude, but there is something real behind them. These differences in attitudes towards work and in national character obviously affect the nature of performance, but there are also differences in institutional arrangements that, I think, are less widely known. The Japanese employment system is characterised by two features. First the lifetime commitment system, where people enter a firm immediately after they leave school or university and stay in it for the rest of their lives. Secondly, the seniority system, whereby both promotions, jobs and wages, but not necessarily

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Third-country trade now amounts to some US\$2,000 million annually and is growing at about 20 per cent per year. We are developing natural resources and building industrial plants in cooperation with European firms whose products we help export to many countries. Helping corporations expand internationally is what our business is all about. As is creating closer trade links to generate mutual prosperity and better understanding. Our business is in your best interests.



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JP... [Handwritten signature]

ECONOMIC VIEWPOINT FROM ROME

BY SAMUEL BRITTON

Riots, indexing and IMF talks

WHEN THE British Chancellor, Denis Healey, threaded round London Airport last...

line against "undue" outside pressure. Before anyone attempts to draw any easy parallels...

with the IMF have meanwhile been proceeding in a different world from that of the students...

The saving grace of the Italian economy is the limited writ of government. There is a large secondary sector...

Pressure

The minority Government of Signor Andreotti is dependent at least on Communist abstention...

Rigidity

Any price push is immediately carried over into wages by a device known as Le Scalamobile...

Letters to the Editor

Alternatives to AWACS

Mr. G. Patten MP. Your leading article "No alternative to AWACS" (March 15) is disappointingly superficial...

Worthy of their hire

From Mr. D. Burke. Sir—The Leyland toolroom men were to form a co-operative to contract their joint labour...

Calculating a capital gain

From Mr. S. Scammell. Sir—It is encouraging when so many people have often over the past ten years disapproved...

Beating the Market

Mr. R. Glass. Sir—The most interesting intruding aspect of Mr. H. Carter's achievements in stock market, as described...

Flats in London

From Mr. W. Grossmith. Sir—The Community Land Act now a "dead duck" following the recent Government circular...

Ending dividend limitation

From Mr. P. Milner. Sir—Despite the disclaimers, Incheaps' increased dividend (March 15) is another step along the road...

Taxation and travel

From Mr. C. Richardson. Sir—I write with regard to the proposals of the Government and the Inland Revenue...

Style and the telephone

From The Honorary Director Design and Industries Association. Sir—At a time when we are both forced and exhorted...

Proper trade unionism

From The General Secretary, Council of Bank Staff Associations. Sir—I agree with some of the points in the letter from David Walkden...

Quelle bonne idee

Sir—I have just read (March 15) that at a meeting Mr. Eric Heffer insisted that direct elections to the European Parliament would only be held over his dead body...

To-day's Events

- GENERAL President Carter addresses United Nations. British Leyland toolmakers strike committee reports to mass meetings in Birmingham, Oxford and Liverpool.

OFFICIAL STATISTICS

- U.K. Banks' assets and liabilities and the money stock; and London dollar and sterling certificates of deposit (mid-February).

KUBOTA exceeding our quota. To make the desert blossom is a dream that man must make come true if he is to sustain a growing family on what seems a shrinking planet. Water is our richest resource and Kubota technology is devoted to making more of it.



JPY 100/150

The Financial Times Thursday, March 17, 1977

**Tilling £8.3m. advance  
to record £41.9m.**

**Scott. Equitable  
11.6% yield**

**Ultramar some £6m.  
lower at £16.48m.**

**AN ADVANCE** at half price from £14.5m. to £18m. tax profit of Thomas Tilling 1976 increased from £28.8m. to £41.9m. on sales ahead £71.2m. against £62.8m. The directors state that all sectors contributed to the movement in results with the exception of textiles, and this is reflected in the group's overseas trading exports continued to ease and overseas operations contributed nearly 20 per cent. profit before interest and tax. The balance sheet gearing was strengthened, and the rise in drawings was held to some £24m. A total of £24m. was paid in fixed assets and provisions, members are told. Freshened, the total dividend is £1.66p net per 20p share, maximum permitted total of 11.7p. Stated with

**BOARD MEETINGS**

The following companies have notified dates for Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividend. Other indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's dividend.

**TO-DAY**

Admiral...  
Blackwood...  
Crested...  
F...  
G...  
H...  
I...  
J...  
K...  
L...  
M...  
N...  
O...  
P...  
Q...  
R...  
S...  
T...  
U...  
V...  
W...  
X...  
Y...  
Z...

at 0.8p net per 25p share with an unchanged final of 0.25p. Break-up value to March 8, 1977, was approximately 23.5p. It is stated. The charge for the year was £14.945 (£21,327) and profit retained was £4,957 against £11,517.

**LAST YEAR** Scottish Equitable Life Assurance Society invested 75 per cent. of its new money in gilt-edged securities to take advantage of the high yields available, states Mr. Ernest Dawson in his chairman's report for 1976. The company invested the remainder in carefully selected equities and in property, including a modest amount in woodlands. New investment medium for the society. As a result of concentrating in gilts, the yield on the fund rose by percentage point to 11.6 per cent. Premium income rose by £6m. to £27m. and investment income by £4.8m. to £20m. Claims were £2m. lower at £18m. since the value for 1975 contained massive bond redemptions that did not occur in 1976. Commissions paid jumped by 50 per cent. to £2.2m. following the higher rates of commission paid on self-employed and director pension schemes—the main types of contract marketed by the company. Management expenses increased by £1m. to £4.7m., including a special contribution of £0.6m. to the staff pension fund. Overall, the life fund rose to £192.7m. at the end of 1976 compared with £162.2m. at the beginning. The breakdown of the portfolio at the year-end showed that £50m. was held in gilts, £19m. in debentures, £50m. in equities, and £18m. in property. The society is endeavouring to build up the proportion of assets in direct property holdings. Mr. Dawson expressed satisfaction at the investment results and looked forward confidently to the current year, the final one of the triennium. He pointed out that the interim bonus rate had already been raised once since the previous full declaration and he expressed confidence that the

society would be able to at least maintain this rate. Policyholders were warned by Mr. Dawson that the nationalisation proposals of the Labour party, to which the Society was adamantly opposed, were being made primarily to divert policyholders' money as represented by the funds into projects which were basically unprofitable or which the State would support for political reasons, suphismically described as in the national interest. He warned that the investment safeguards which the Society strictly observed would be weakened and the favourable investment returns secured by the shrewd selection of securities impaired. Finally, he appealed to the Government to remove all restriction on improving pension schemes which was holding back employers from taking the decision on whether or not to contract out of the new State scheme. He urged employers to make their decision as speedily as possible. The Society was ready and able to play its part in the development of occupational pensions. The Society reported that it was experiencing whereby the investment returns were guaranteed and had no intention of entering the managed fund sector.

**SALES** for 1976 of the oil exploration and development group Ultramar Company expanded from £275.34m. to £371.88m., but pre-tax profits were lower at £16.48m. compared with £22.57m. Basic earnings were shown at 23p (45.2p) per 25p share, and fully diluted at 27p. At half way, reporting profits of £5.06m. against £11.57m., the directors said that second-half results would be better but full year earnings would be lower than the record level of 1975. At the nine-month stage profits were £11.22m. (£15.64m.). The increase in sales for 1976 is attributable largely to substantial purchases and sale transactions in the crude oil market during the year as well as to the higher prices of crude oil and products and the lower value of sterling in terms of the dollar. Differences on conversion of opening net assets arising through currency alignments have been transferred directly to reserves and these amounted to a gain of £9.67m. (£4.86m.).

The 1975 figures have been restated to give effect to this change which has increased net earnings for that year by £2.48m. As usual there is no dividend payment but a one-for-15 scrip issue is proposed (same). Included in the 1975 results were £255,000 net earnings in respect of operations in Venezuela which ceased at the end of 1975. Also an additional depletion charge of £2,263,000 was made in respect of Indonesian capitalised expenditure. No such additional charge is made in the 1976 accounts in view of the progress of the Indonesian venture. The directors say it was a mixed year for the Ultramar group in terms of profit before tax it was the second best year. Operationally, sales volume of petroleum products was at a record high, the three oil refineries ran smoothly although at less than capacity, and shipping, terminaling and transportation operations had no significant problems. Oil and gas production increased in Western Canada after development drilling on several discoveries and Indonesian oil production held up better than expected. On the other hand, exploration drilling during 1976 in Iran and Indonesia did not result in any commercial discoveries. Financially, the California, New foundland and Western Canada divisions had an excellent year and showed record profits. In addition, the profits from Indonesian oil production were above projections. The group also had reasonably good results from shipping and net cargo trading operations in the face of a depressed, and often net earnings for 1976 by £215,000, volatile market.

**CONFIDENCE  
at Neil  
& Spencer**

**COST INCREASES** and excess capacity in the dry cleaning industry continue to cause concern at Neil and Spencer Holdings but there has been progress towards the goal of achieving higher profit margins, Mr. J. J. Boer, chairman, tells members. In general, the atmosphere among customers is of increased confidence and this can only be healthy for us. As reported earlier, first quarter sales are well up on the previous comparable period and the order book is also improved. If present economic and industrial conditions prevail he believes that 1977 will show a further improvement. The chairman says that in the current year the company will continue the development of solar heating systems for industrial and domestic hot water applications, and be conducting test market operations. Overseas, the company is seeking opportunities to broaden activities. As reported March 2, pre-tax profits for 1976 increased from £0.15m. to £0.43m. on sales up from £5.78m. to £7.79m. Export sales totalled £2.5m. (£2.07m.).

**Tate & Lyle  
integration  
under way**

**SHAREHOLDERS** in Tate and Lyle were told by Mr. John Lyle, the chairman, at yesterday's annual meeting that the integration of the two companies is well advanced. Mr. Lyle said that the integration of the two companies is well advanced. He described the proposed legislation as demoralising to management and manifestly unfair to overseas and non-union employees. We shall continue to oppose the right to manage of Bullock, he said. He also took the opportunity to question the terms of reference of the Committee headed by Sir Harold Wilson which has been set up to look into the workings of the City. Mr. Lyle suggested that the Government's role should be to concentrate on creating the right climate for industry, rather than interfering in the day-to-day affairs of companies. Mr. Lyle expressed optimism about the future and revealed that the group will shortly be signing contracts in the Far East worth over £40m.

**BARON GILDER  
CONSULTANTS**

Baron Gilder Computer Consultants of Brighton, wishes to point out that it has no connection with Baron Gilder which was wound up in the High Court on Monday.

**MARK PLACE  
res increased  
sult**

over of Park Place Investments increased from £502,000 to £600,000 in the six months to end March. 1976 and pre-tax profits were £39,000 against £48,000 after interest of £48,000. Dividends per share are 0.6p. An interim dividend of 0.1p is announced. Last year was no interim dividend but was a final of 0.45p. The current year's profits of both billing and costs has changed, and has no effect of placing much larger part of the group's into the second half of the year. Directors expect the profit for the full year to be a substantial improvement on the £77,000 profit before interest and tax for 1975-76. The group has interests in and management consulting and advertising.

**UNITED  
CAPITALS**

Gross revenue of United Capitals Investment Trust for 1976 fell from £96,290 to £83,574, and pre-tax revenue from £38,094 to £44,525. The reduction in pre-tax revenue is due mainly to exceptionally high interest charges and to reduced dealing profits, say the directors. The dividend total is maintained.

**IT. ALUMINIUM**

From March 21 the registered office of British Aluminium Company is moving from Norfolk to 7, Baker Street, W.

**RHODESIAN CABLES LIMITED**

(Registered in Rhodesia)  
**NOTICE TO SHAREHOLDERS**  
**INTERIM REPORT—YEAR ENDING**  
**30TH JUNE, 1977**

**FINANCIAL RESULTS**  
The unaudited profits for the half year ended 31st March, 1977, compared with the half year ended 31st March, 1976, and the year ended 30th June, 1976, were as follows:—

	Half-year ended 31.12.76 Rhodesian Dollars	Half-year ended 31.12.77 Rhodesian Dollars	Year ended 30.6.76 Rhodesian Dollars
Profit before taxation	737 300	864 000	1 772 200
Provision for taxation	286 600	371 600	731 600
<b>Profit</b>	<b>450 700</b>	<b>492 400</b>	<b>1 040 600</b>

**FINANCE**  
The reduction in pre-tax profit of 126 700 Dollars when compared to the same period last year was attributable to the volume of output from the factory related to the decline in demand associated with the adverse economic and political situation that has existed in Rhodesia since late 1975. The cost of inflation was more severely felt during the past six months and fixed costs increased by more than has been the case in any similar period in recent years. However, still better improvements in overall productivity compensated for addition to operating costs.

The order intake during the six months ended June 1977 substantially down compared to the preceding six months continued at this lower level for the first half of this year, considering the prevailing political uncertainty and the easing military burden a further deterioration in order intake is predicted.

Henry McDowell  
K. Taylor

**DECLARATION OF INTERIM DIVIDEND**  
Notice is hereby given that an interim dividend, number 10, at the rate of 15 cents per ordinary share has been declared by the Directors payable in the currency of Rhodesia to shareholders registered in the books of the Company at the close of business on the 15th April, 1977. Dividend warrants will be issued on or about the 15th May, 1977.

The transfer books and Register of Members will be closed on the 9th April, 1977, to the 22nd April, 1977, both dates inclusive.

By order of the Board,  
O. Amond,  
Secretary.

10, York Road,  
Klarton,  
Rhodesia,  
March, 1977.

Directors: Sir Henry McLoviney McDowell, K.B.E. (Chairman)  
D. H. Cunningham, J.C.D., O.B.E., F.I.C.S.  
D. G. Sutherland, B.Sc., C.Eng., F.I.E.E., F.S.A.I.E.E., N.I.C.E. (Alternate N. F. Driver)  
K. Taylor, C.Eng., F.I.E.E., F.I.(Rhod.), F.I.D.

Transfer Secretaries:  
Annaburg  
Samuel Registrars (S.A.) Limited,  
Corner House,  
Fox Street,  
Annaburg.

London:  
Hill Samuel Registrars Limited,  
5 Greencoat Place,  
London, SW1P 1PL.

# Thousands of people who don't work for us depend on us for their pensions

More and more companies are finding that running a pension scheme requires a professional fund management team. Which is why Lloyds Bank Investment Department is now looking after company pension schemes covering thousands of employees working in some of Britain's major companies.

With 30 years' experience in handling pension schemes, currently worth more than £500m, we've built up the investment know-how and the administrative ability to save companies and their executives a lot of work and worry.

If you'd like to find out more about how we can help your company, get in touch with the Chief Investment Manager, Lloyds Bank Investment Department, 34 Threadneedle Street, London EC2R 8AX. Telephone 01-623 1288.



**Lloyds Bank**

**at place  
better  
roof in  
ster**



John Lyle Ltd

MONEY MARKET

Interest rates lower

Bank of England Minimum Lending Rate 11 per cent. (since March 10, 1977) ... and some observers feel that a fall of 1 per cent. or more will not meet with approval.

Table with columns: Mar. 18 1977, Sterling Certificate of deposit, Interbank, Local Authority deposit, Local Authority Fixed Rate Bonds, Finance House Deposit, Company Deposit, Discount rate, Treasury bills, Bank bills, Fine Grade Rate.

Local authority and finance houses seven days' notice, others seven days' fixed. \* Longer-term local authority mortgage rates normally three years 12-13 per cent., four years 13-14 per cent., five years 13-14 per cent., six years 13-14 per cent., seven years 13-14 per cent., eight years 13-14 per cent., nine years 13-14 per cent., ten years 13-14 per cent.

Approximate selling rate for one-month Treasury bills 9 1/2 per cent., two-month 9 1/2 per cent., and three-month 9 1/2 per cent. Approximate selling rate for one-month bank bills 10 1/2-10 3/4 per cent., two-month 10 1/2-10 3/4 per cent., and three-month 10 1/2-10 3/4 per cent.

Finance House Base Rate (published by the Finance Houses Association) 11 per cent. from March 1, 1977. Clearing Bank Deposit Rates for small sums of seven days' notice 8 1/2 per cent. Clearing Bank Base Rates for lending 10 1/2 per cent. Treasury bill average tender rates of discount 10.3011 per cent.

BIDS AND DEBTS

Bridgewater Est. rejects RIT 200p offer

Tothchild Investment Trust is to make a 200p a share cash offer for Bridgewater Estates, in which it owns 15.35 per cent. of the shares. The bid, which values the company at £200,000,000, was rejected by the Board yesterday.

The offer has been extended until March 30. The Board of Directors has rejected the offer, stating that it is not in the best interests of the shareholders.

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New moves in FMC battle

Thomas Borthwick has increased his offer for FMC to £12.5m. in the face of a £2.7m. cash counter-bid from NFU Development Trust.

Subsequently, NFU used its 40 per cent. holding to remove the then chairman of FMC in favour of Mr. David Darbishire, formerly chairman of the Trust.

Mr. John Cossins, chairman of NFU Trust, which attracted criticism in 1973 for dropping its original bid for FMC, said yesterday that his Board was "not enthusiastic about an outside bid."

Mr. Cossins said that the Board would have to consider the offer objectively with regard to the interest of all shareholders.

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Brown Muff recommends Fraser

The share price of Brown Muff, the Bradford department stores group, fell back 12p yesterday to 158p on the news that a rival offer to the 160p cash bid from House of Fraser will not now be forthcoming.

It was known that discussions with an interested third party were in progress but no reasons were given yesterday for the decision not to proceed with a bid.

The Board of Brown Muff is now recommending the House of Fraser offer. Mr. M. H. Maufe, the chairman of Brown Muff, said last night that he was disappointed that he could not achieve a better deal for shareholders but added that he was "very happy to be going in with House of Fraser."

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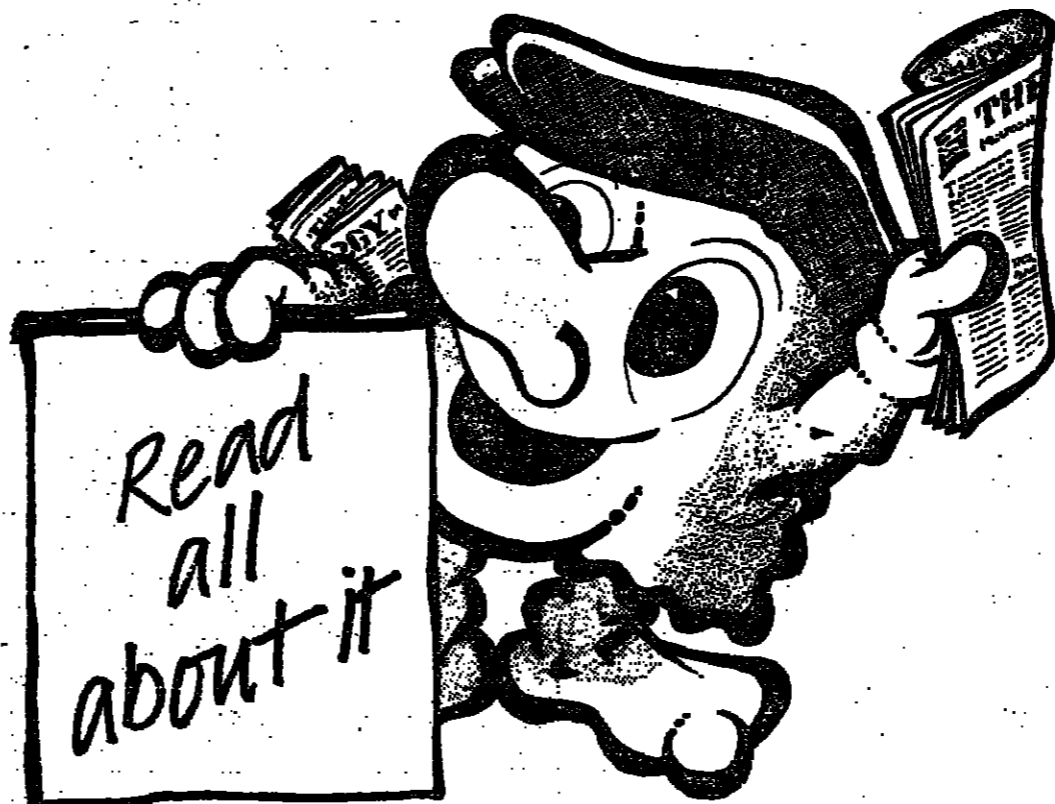
1976 was a year of special significance.

Our acquisition of Manbre & Garton is the key to rationalising the UK cane sugar refining industry for the benefit of shareholders, employees and customers.

We have expanded into starch and broadened our base in liquid bulk storage, speciality chemicals and sugar refining — both in the UK and the USA.

We view with growing concern the politically motivated interference with industry as evinced by the Bullock and Wilson Committees. Insofar as both employee participation and the raising of finance are concerned, industry should control its own destiny. For our part, we shall continue to develop the many formal and informal procedures which involve our people in our varied businesses.

Summary of the report of the Chairman of Tate & Lyle, Limited, John Lyle at the Annual General Meeting on 16th March 1977.



TATE + LYLE Out of sweetness came forth strength

HOMERAY & COMPANY LIMITED

The following are extracts from the Statement of the Chairman Mr. D. E. Gillam in the Report and Accounts for fifteen months ended 2nd October, 1976, which were adopted at the Annual General Meeting held on 16th March, 1977.

Making adjustments for the fifteen month period covered by the Accounts, the pre-tax profit earned is very similar to that of the previous year and the Board considers this result to have been reasonable in the circumstances.

In view of the balance of payments problem which continues to beset the United Kingdom, I am pleased to report once again a substantial increase in export sales. We have continued to build up our selling base in Europe and now hold adequate stocks in the warehouse of our subsidiary Homeray Carpets Deutschland GmbH.

The current year has started reasonably well and carpet sales, particularly exports, are in line with our expectations.

Table with columns: RESULTS, 15 months to 2.10.1976, Year to 28.9.1975. Rows: Revenue, Profit before Tax, Profit after Tax, Dividends per Share of 25p.

Copies of the Report and Accounts are available from the secretary, Riding Hall Mills, Halifax, West Yorkshire HX3 9XG.



INTERNATIONAL FINANCIAL AND COMPANY NEWS

Bank of England Quarterly Maturities mismatch worsens in London

MARY CAMPBELL UNDERLYING growth of Eurocurrency market of certificates of deposit to be used in the fourth quarter...

Veba talks with foreign interests

BY ADRIAN DICKS AN URGENT warning to the West German Government to set and abide by new energy policy guidelines was given here today...

Growth targets in Dutch banking

BY MICHAEL VAN OS AMSTERDAM, March 16. NEDERLANDSE Credietbank the end of 1976, an increase solely attributed to growth of business in 1976 and a sharp rise in profits of about 26 per cent...

NEWS ANALYSIS - WORLD BANK

Expecting too much

BY JOHN WICKS IN ZURICH THE NECESSITY for a halving of the issue sum for the latest Swiss loan of the World Bank has come as a shock to the international capital markets...

Uddeholm loss Kr.42m. Larger than forecast

WILLIAM DUFFORCE STOCKHOLM, March 16. UDDEHOLM, the Swedish steel producer's conglomerate today reported a loss of Kr.42m. on its 1976...

AMERICAN NEWS

Tenneco/Monroe to fight FTC anti-trust block

BY JAY PALMER ARGUING that competition in the car replacement parts market would lessen, the U.S. Federal Trade Commission has moved to block Tenneco's proposed acquisition of Monroe Auto Equipment...

EUROBONDS EMI terms seen as realistic

BY TONY HAWKINS EMI FINANCE is raising \$30m in the Eurobond market with a generous, it is in line with issue of 12-year bonds on an current yields on longer-dated indicated 8 1/2 per cent coupon...

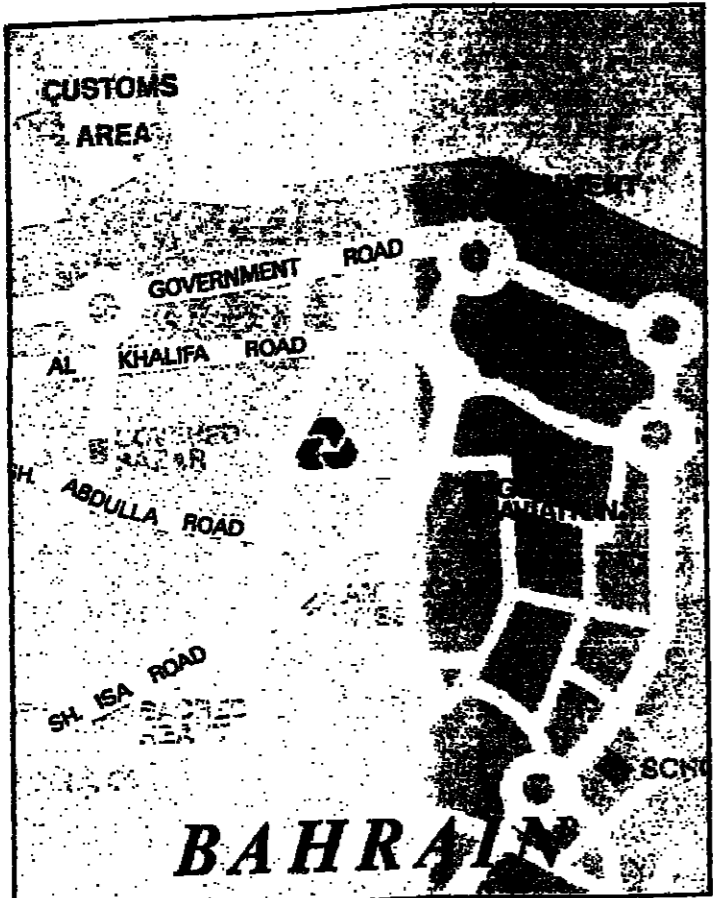
Bank Leumi (U.K.) Ltd. 1976-a year of continued growth. Highlights from the Directors' statement by the Chairman, Mr. E. I. Japhet, at the Bank's Annual General Meeting.

Northwestern Bell. This WEEK'S key New York corporate domestic bond for Northwestern - Bell Telephone was priced yesterday at 99 1/2...

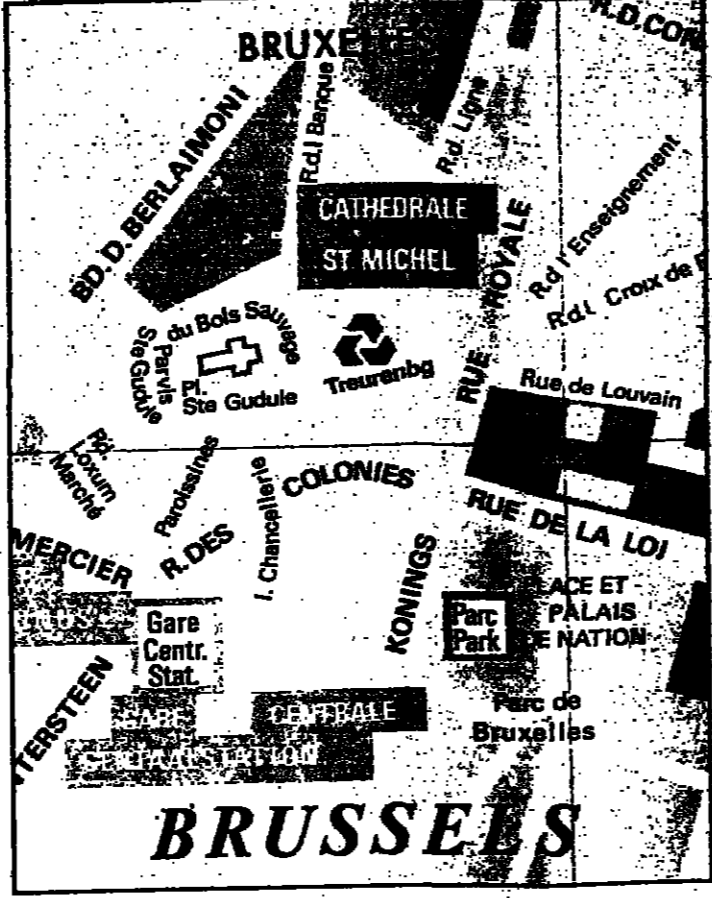
Mitsubishi Chemical forecasts net Y6.7bn. TOKYO, March 16. MITSUBISHI Chemical Industries Ltd. said it forecasts post-tax profits in the fiscal year ending next January will be between Y6.7bn. and Y9.0bn.

ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT COMPANY LIMITED. Interim report. For the half-year ended 31 December 1976. Financial results. The unaudited consolidated financial results of the Company and its subsidiaries (excluding mining subsidiaries) are estimated as follows:

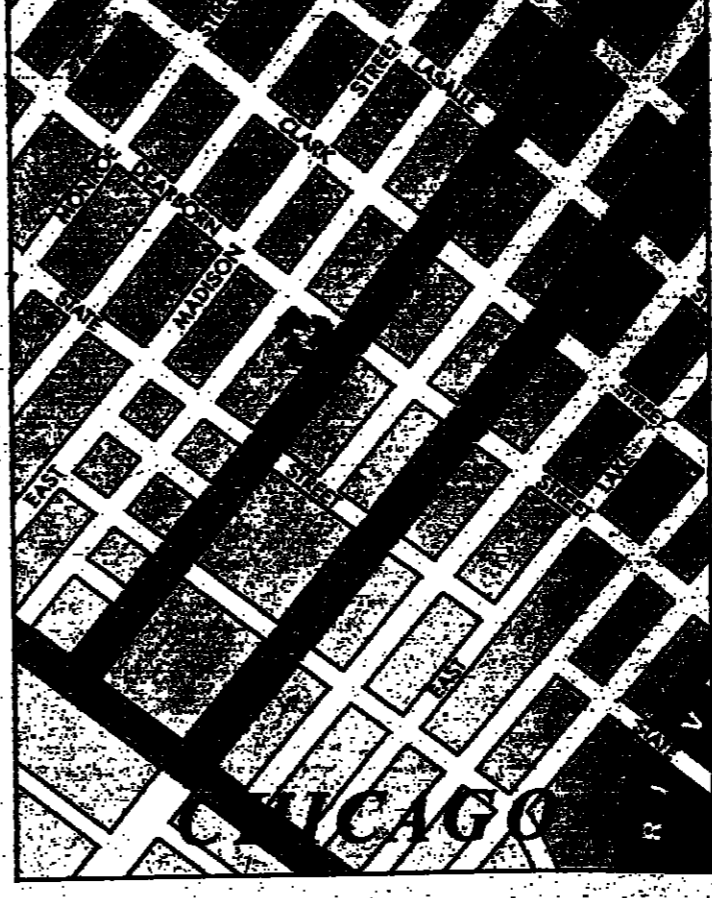
# NatWest International is right by your side



**BAHRAIN**



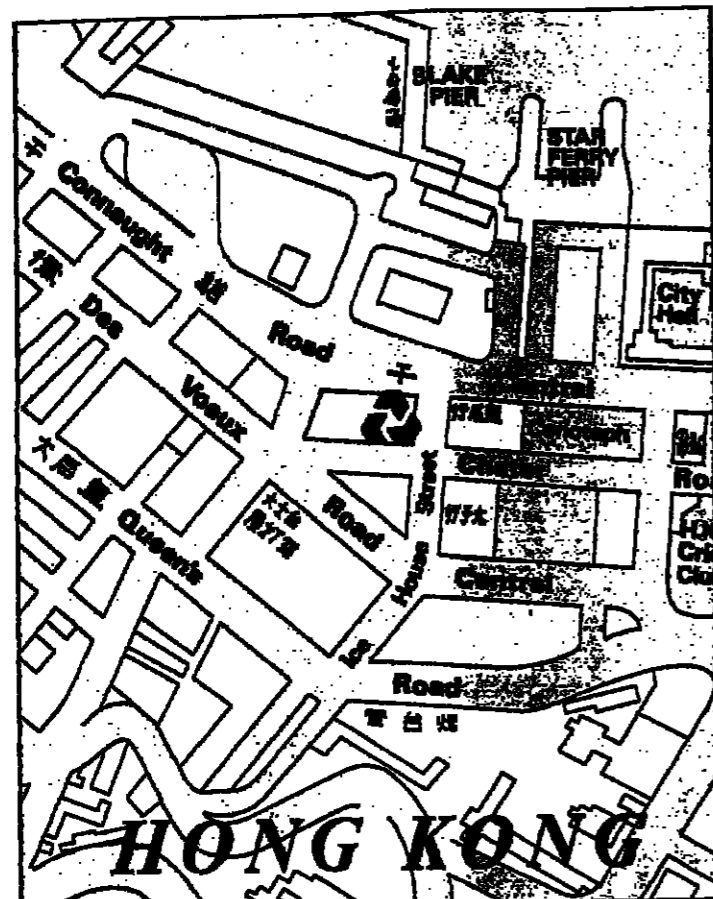
**BRUSSELS**



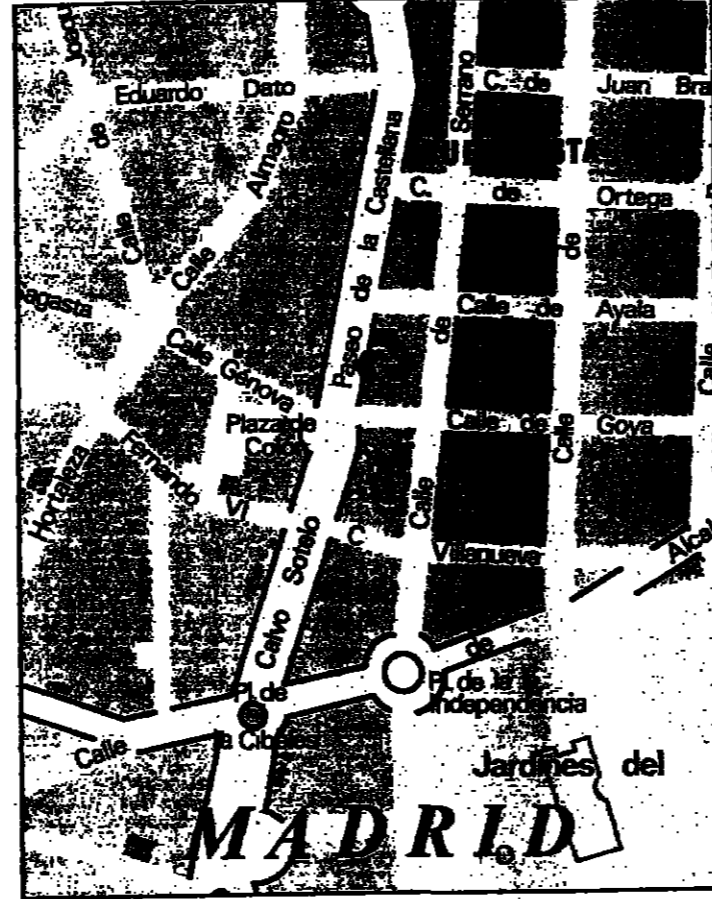
**CHICAGO**



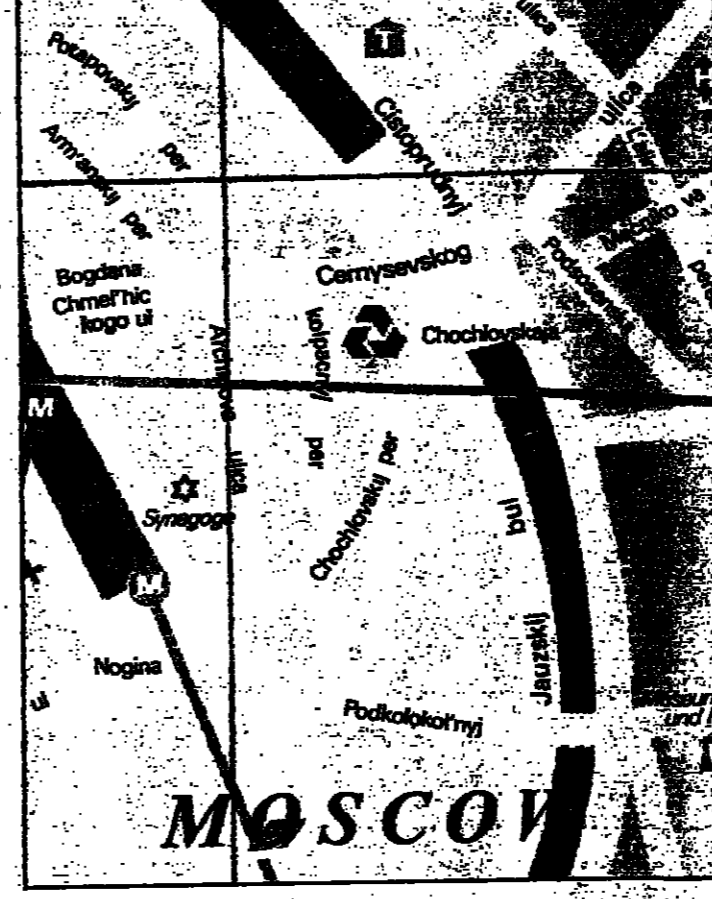
**FRANKFURT**



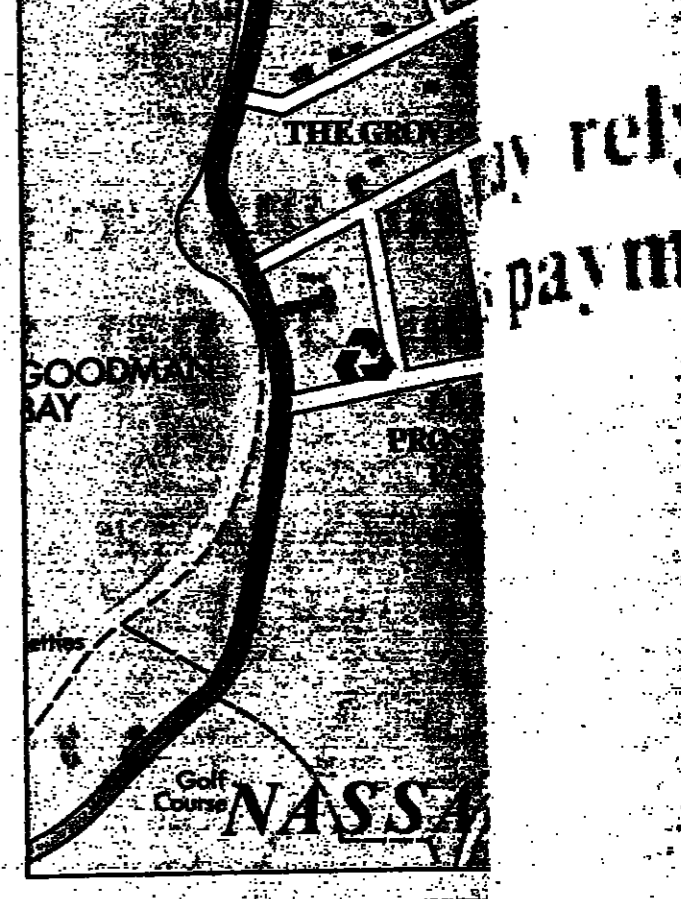
**HONG KONG**



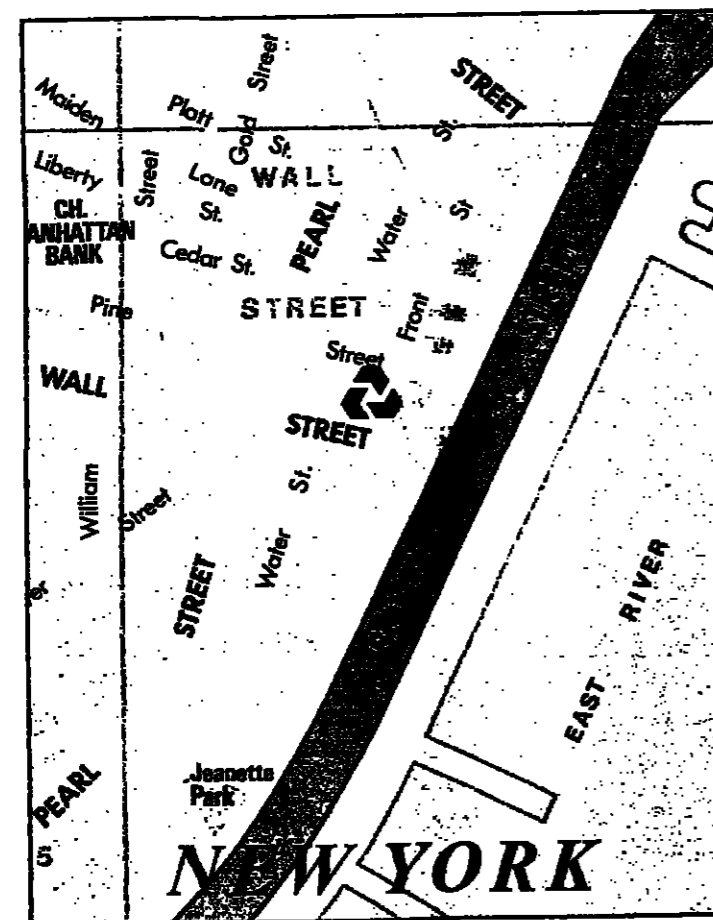
**MADRID**



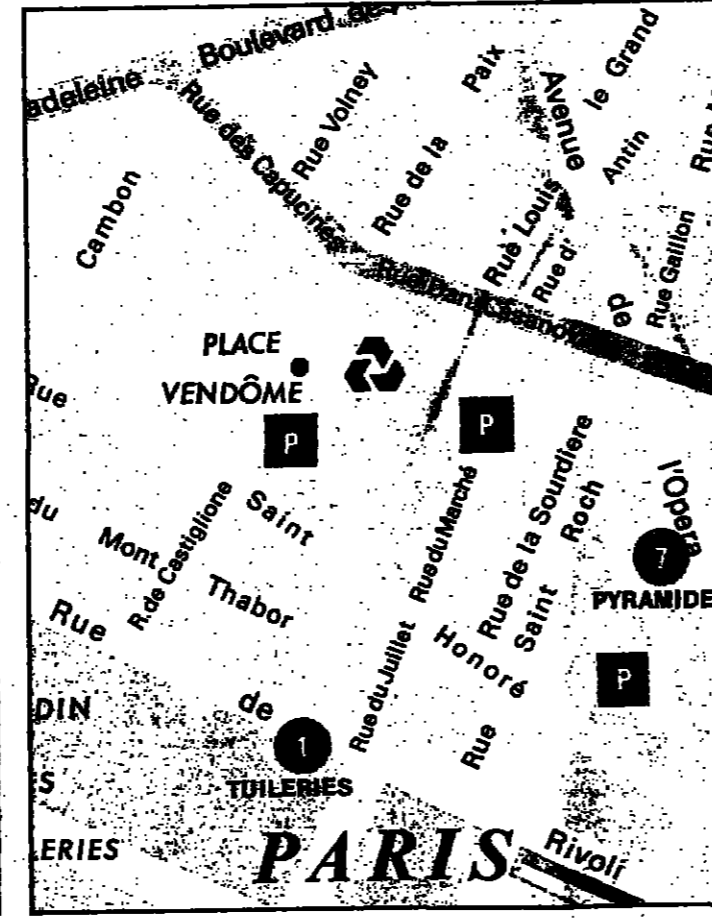
**MOSCOW**



**NASSAU**



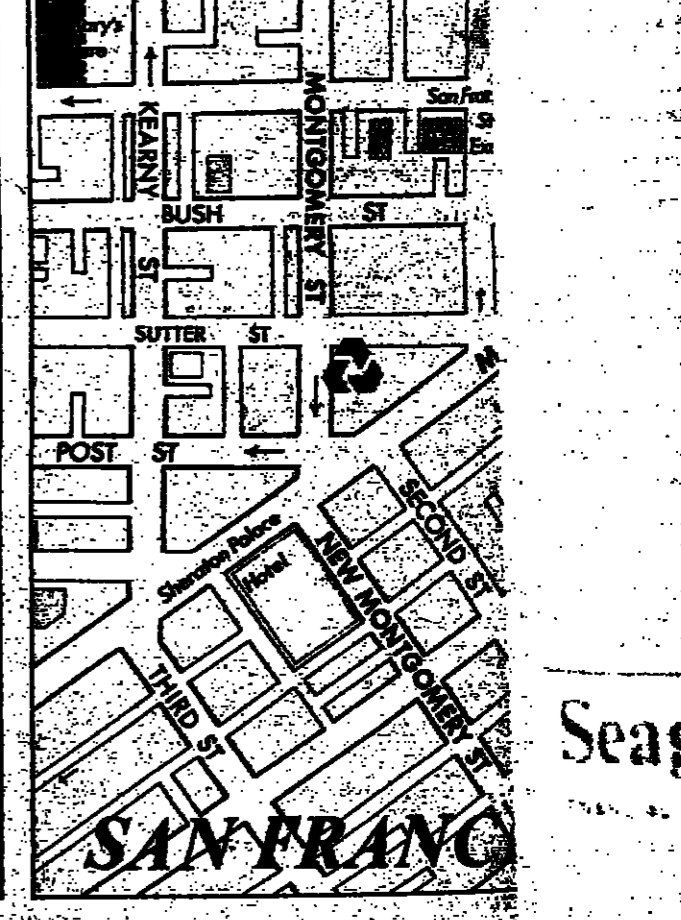
**NEW YORK**



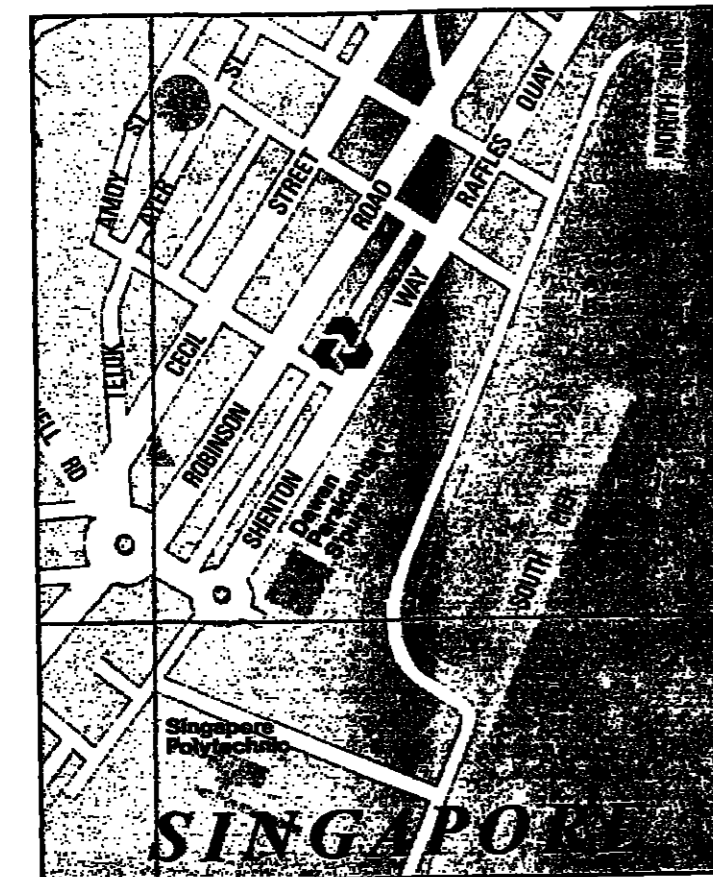
**PARIS**



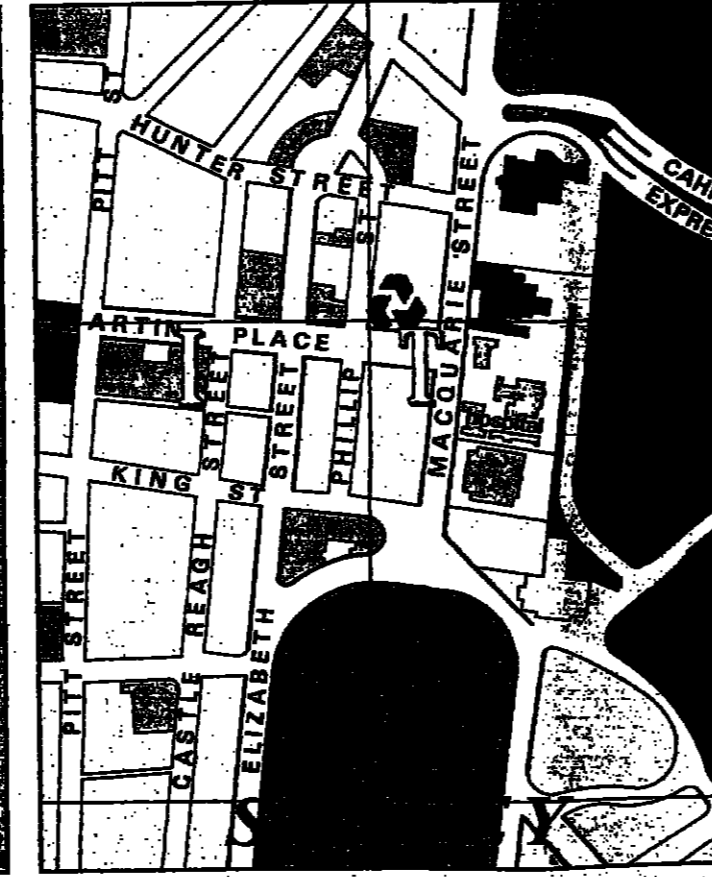
**PIRAEUS**



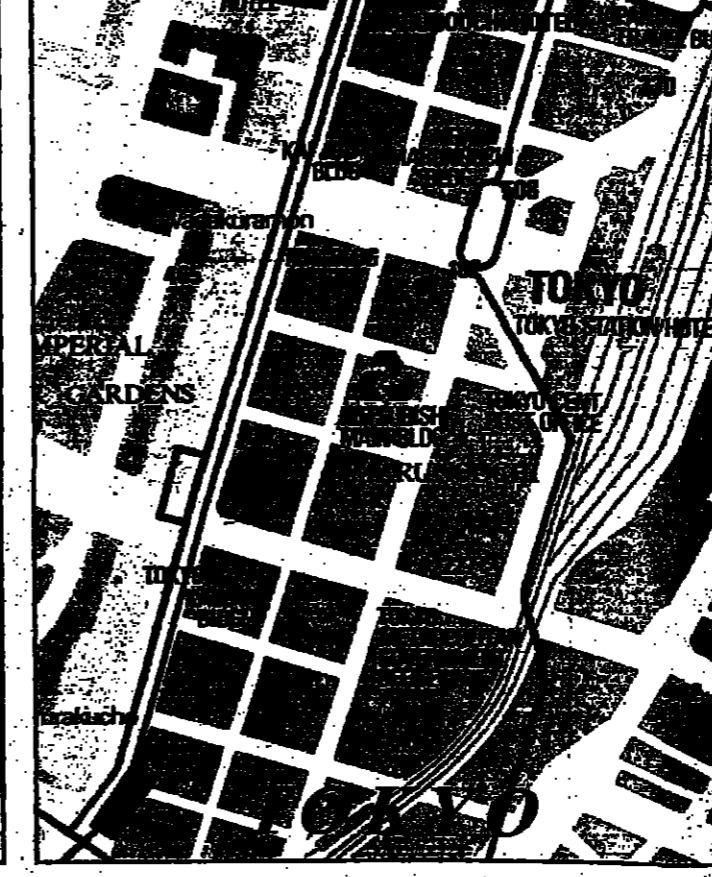
**SAN FRANCISCO**



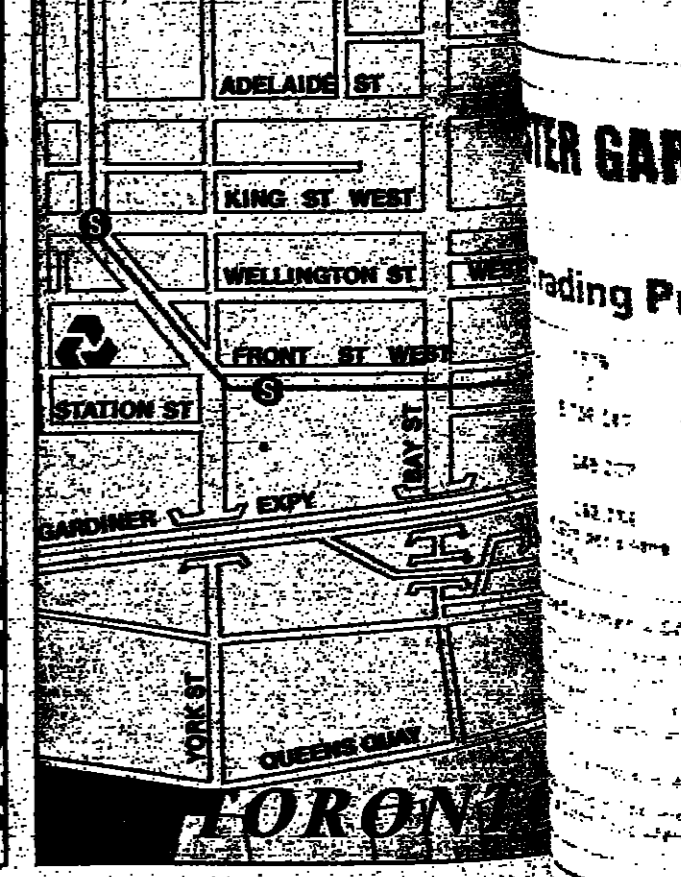
**SINGAPORE**



**LONDON**



**TORONTO**



**TORONTO**

International financing for major corporations. Assistance to UK exporters. Dealing in the world's currencies—buying, selling, lending and deposit taking. Global movement of funds. Specialist services for international industries such as oil, gas, shipping.

**National Westminster Bank Group**  
You've got us just where you want us.

Handwritten Arabic text: *مصرف ويستمنستر*

Vertical text on the right edge of the page, partially obscured by a newspaper page. Visible words include: "for call", "rely", "paym", "Seag", "TER GAR", "ding Pr", "dings", "Locatios contr", "ESCHNO", "1978", "1979", "1980", "1981", "1982", "1983", "1984", "1985", "1986", "1987", "1988", "1989", "1990", "1991", "1992", "1993", "1994", "1995", "1996", "1997", "1998", "1999", "2000", "2001", "2002", "2003", "2004", "2005", "2006", "2007", "2008", "2009", "2010", "2011", "2012", "2013", "2014", "2015", "2016", "2017", "2018", "2019", "2020", "2021", "2022", "2023", "2024", "2025".



INTERNATIONAL COMPANY NEWS

SWEDISH SPECIAL STEELS

Investigator calls for mergers

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

CONTROVERSIAL programme... restructuring and... of the Swedish... steel industry was... by Mr. Tony... the special... for appointed by the... industry. It calls for... among the 24 plants... by the eight companies... for a considerable... in the 36,000 labour... Mr. Hagström, Under-Secretary... the Ministry under the... Social-Democratic Govern... told the Press today that... he had caught up with the... industry. He recommended that... a number of Swedish com... producing stainless steel... would be reduced to two... in the next few years in... face of a considerable over... in Western Europe and... competition.

STOCKHOLM, March 16. Other mergers proposed would entail Avesta acquiring Bofors... press forging plant while closing... down its steel foundry to Bofors... advantage, and the closure of... Fagersta's blast furnaces in... favour of Surahammar's new... furnace. Mr. Hagström singled out... over by Sandvik, which has a... profitable production of seam... less steel tubes. He acknowl... edged that Sandvik had shown... little enthusiasm for his pro... posal, while Uddeholm an... nounced today that it was going... ahead with its plan. In addition Mr. Hagström... would like to see Avesta... Gränges Nyby and Fagersta... merge their stainless steel opera... tions. Gränges and Fagersta... have already been negotiating... but it is more doubtful whether... Avesta would join in. Mr. Hagström wants SKF and... Fagersta to merge production... and merge their stainless steel opera... tions. Gränges and Fagersta... have already been negotiating... but it is more doubtful whether... Avesta would join in. Mr. Nils Aasling, the minister... of industry, said that the report... would draw the basis for decid... ing on the Government's role in... the restructuring of the special... steel industry. That role, he... stressed, would become topical... "when the companies ask for... State backing."

Spain may rely on Euromart for \$3bn. as payments deficit climbs

BY TONY HAWKINS

SPAIN'S growing involvement in... Euromarkets, both as bor... der and participant, came... close examination at last... week's two-day Madrid Confer... ence on international financing... fact that there were more... than 300 applicants for this... first conference on the Euro... ket—which is the kind of... advance experienced in Lon... don in the subject. This is... surprising since Spain... some increasing interna... tional activity, particu... larly in the Euromarket since... 1973 oil crisis and is ex... pected to borrow substantial... amounts in the next few years... a continuing, serious bal... ance of payments deficit.

only \$138m. in 1976 and \$48m... in 1977. But borrowings in 1974... were some \$1.3bn. and exceeded... \$1.1bn. in 1975, while last year... Spain was the third largest... borrower after Brazil... and Mexico—both loans... \$2.1bn. The 1976 borrowings... included the jumbo \$1bn. five-year... credit for the Kingdom of Spain... itself on a spread of 11 per cent... above Libor. Hitherto, the terms on which... Spanish borrowers have tapped... the Eurocredit market have re... flected market trends rather... than any change in Spanish... creditworthiness. Thus in 1974... to raise \$300m. over 14 years on a... margin of a mere 3 per cent. But by 1976-78—in line with... market trends as a whole—... Spanish borrowers were paying... between 11 per cent. and 11 per... cent. for five to seven-year... money. The Kingdom itself paid 14... per cent. State-owned enterprises... were paying 15 to 13 per cent... and private-sector borrowers be... tween 11 per cent. and (occasion... ally) 2 per cent., often with... bank guarantee. Spain has not been an active... borrower in international bond... markets, though there was a... marked increase in Spanish... issues last year. In the 13 years... 1963-76, total Spanish Eurobond... borrowings are put at \$553m. (in... the Eurobond 77 Yearbook), but... about \$182m. of this took place... in 1976 when there were six... Eurobond issues for Spanish... borrowers. Spain's Eurobond opera... tions have been something of a... disappointment. The most recent... fixed rate dollar issue—for the... Spanish Railways, Renfe—issued... at 90 on a 91 per cent. coupon... (\$23bn.). The external debt

servicing burden—estimated at... some \$1.53bn. last year—... amounted to around 10 per cent... of exports of goods and services... (1975 figures)—again well short... of dangerous limits. These kind... of claims imply that Spain is... unlikely to be denied funds on... the grounds of excessive foreign... indebtedness, which is a very... real likelihood for a growing... number of less developed... economies. But in assessing country risk... and lending limits bankers focus... on future trends as much as on... past performance. It is here... that caution emerges. The key... to Spain's rating in the Euro... credit and bond markets will, in... the immediate future, be as... much political as economic, which... was not always the case.

Structural It is not enough that the... crucial June elections should... return a stable government (as... some bankers seem to believe),... but rather that the new adminis... tration should have both a man... date and the capacity to carry... through tough and unpopular... economic policies. Inflation of... the order of 20 per cent.—likely... to get worse before it gets better... —a trade deficit of more than... \$8bn. (of which more than half... represents the deficit on energy... imports), a current account... deficit of \$3bn., unemployment... of 6 per cent., and... falling capital investment... point to the need for a change... in economic direction. Because the deficit, especially... the energy element, is structural... in nature, there can be no short... term solution, and Spain will... continue to rely heavily upon ex... \$33.6m. (\$0.96 per share).

Seagram reports record income

FINANCIAL TIMES REPORTER

THE SEAGRAM COMPANY re... ported record operating... income, sales and net income for... the second fiscal 1977 quarter and... first six months ended January... 31, 1977. Operating income or net

income before interest expense, \$1.14bn., respectively, compared... unrealized foreign exchange... gains and income taxes, for the... same fiscal 1976 period, was... \$40.6m., an increase... of 18.3 per cent. over the \$34.3m... reported for the fiscal 1976... second quarter. For the first six... months, operating income was... \$6.5m. (\$0.16 per share), compared with... \$3.6m. in the corresponding... period last year. Sales for the quarter and six... months were \$571.5m. and \$33.6m. (\$0.86 per share).

SELECTED EURODOLLAR BOND PRICES

Table with columns for bond types (STRANGLERS, MID-DAY INDICATIONS, CONVERTIBLES), issuer names, and prices/yields.

MANCHESTER GARAGES

Record Trading Profits

Table comparing 1976 and 1975 performance: Group Turnover (£9,705,241 vs £8,029,670), Group Net Profit (£268,286 vs £168,883).

Extracts from the Chairman's Statement. Profit increase of 59% on turnover increase of 21%. "New truck centre will be one of the major centres in UK."

Weekly net asset value on March 14 1977. Tokyo Pacific Holdings N.V. U.S. \$ 40.81. Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$ 29.76. Listed on the Amsterdam Stock Exchange.

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Advertisement for Norpipe a.s. U.S. \$50,000,000 8 1/2% Bonds Due 1989. Includes logos for Ekofisk Transportation System, FINA, TOTAL, and a list of international banks.

Advertisement for Lindsey Oil Refinery Limited. Total Oil Great Britain Limited & Petrofina (U.K.) Limited £70,000,000 Lease Finance. Morgan Grenfell & Co. Limited, Hill Samuel & Co. Limited, Omnium Leasing Company, Lloyds Leasing Limited, Midland Montagu Leasing Limited, Royal Bank Leasing Limited, Barclays Export and Finance Company Limited, Citicorp International Bank Limited, City Leasing Limited, Hill Samuel Leasing Company Limited, IBOS Finance Limited, Williams and Glyn's Leasing Company Limited, City Leasing Limited, a subsidiary of Morgan Grenfell Holdings Limited, will manage the Lease on behalf of the Partnership.





WALL STREET OVERSEAS MARKETS

FOREIGN EXCHANGE Sterling firm

BY OUR WALL STREET CORRESPONDENT

ALTHOUGH BATTLING with a profit-taking, moderately higher levels were recorded on Street-to-day attributed to prospects of a business pick-up in the Spring.

At 1 p.m. the Dow Jones Industrial Average was up 20.17 at 966.76, making an advance of 19 points over the past three sessions. The NYSE All Common Closing prices and market reports were not available for this edition.

Index rose a further 7 cents to 858.44, while gains led losses by a three-to-one majority. But the trading volume decreased to 1.2 billion shares, compared with 1.4 billion yesterday.

Analysts say the market is gaining some support from the report late yesterday of a rebound in February Industrial Production.

which rose by one per cent compared with a revised 0.8 per cent decline in January due to severe cold weather.

Sony, the most actively traded stock, rose \$1 to \$10 1/2 and Xerox,

rose another 3/8 to 118.00. Golds 7 1/2 and Pipers 0.35 to 114.24. But Oil and Gas lost 2.7 to 111.88 and Utilities added 0.06 to 147.41, while Banks held unchanged at 227.42.

Canada's "C" gained \$1 at \$18. Consolidated-Bathurst \$1 at \$29. Noranda Mines \$1 at \$24, and Falconbridge Nickel \$1 at \$39.

Walker-Goodman rose \$1 to \$29 and Stronach also \$1 to \$34. Inasco climbed a further \$1 to \$27—its Tobacco Unit recently increased cigarette prices.

Paris—Generally steady, helped by news that France's Industrial Production rose in January and that the trade deficit fell in February.

General Occidentale held steady at Fr.175 after buying a 45 per cent stake in the SA Groupe Express Magazine Group for Fr.1.5 billion.

Foreign issues were steady, with Golds the firmest sector, followed by Americans, Germans and International Oils were steady. Coppers were irregular.

BRUSSELS—Mixed to firm in quiet trading, with only minor price movements in most shares. U.K., French and German stocks were firm, U.S. issues

NEW YORK, March 16. SPAIN—Little change in light trading, with index down 0.34 to 68.81.

COPENHAGEN—Mainly lower in fair dealings although industrials were mixed.

OSLO—Little change. JOHANNESBURG—Gold shares were generally steady at higher levels in moderate trading.

Financial Minings were basically firm. Coppers and Platinums were higher to narrow.

HONG KONG—Mixed in light trading. Hutchison were down 2 cents to HK\$15. Wheelock "A" also

TOKYO—Slightly higher, although investors held off towards the close while waiting the outcome of the Japan-U.S. Summit Talks in Washington early next week.

VIENNA—Steady to higher. MILAN—Mixed in this trading. Leading Industrials were narrowly mixed, with Fiat up 1/8, and Montedison, up 1/4, leading

sterling's premium over its gold content narrowed to 2.28 per cent from 3.15 per cent for domestic delivery and to 2.96 per cent from 3.15 per cent in the international market.

Discounts on forward sterling continued to narrow, with the month sterling's discount against the dollar narrowed to 3.72 cents from 2.75 cents.

The Italian lira finished slightly firmer at L588.55 against the dollar, compared with L587.75 on Tuesday. The Bank of Italy probably gave support to the lira, but pressure was not on as large a scale as in previous days this week.

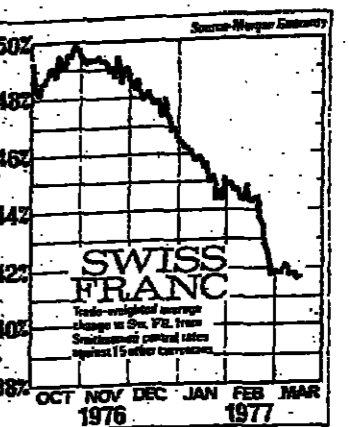
The Canadian dollar improved to 83.05 U.S. cents from 82.85, after touching a low point of 82.58 on Monday.

The U.S. dollar was steady against most other major currencies for the most part, but lost ground following the opening of the New York market. Its trade-weighted average depreciated since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened to 0.44 per cent from 0.32 per cent.

Gold rose \$1 to \$147.14, moderately active trading. The Electricals, Motors and Precision Instruments were mixed, while Petroleum and Non-Ferrous Metals were lower.

AUSTRALIA—Generally firm. BHP gained 14 cents to \$46.58, while Ural and Central Northerners each added 5 cents. Pancoast rose 10 cents to \$49.30.

NOTES: Overseas prices shown below are for the closing of the market and are subject to change without notice. All prices are in U.S. dollars unless otherwise stated. All prices are in U.S. dollars unless otherwise stated. All prices are in U.S. dollars unless otherwise stated.



TUESDAY'S ACTIVE STOCKS table with columns for Stock, Closing, Change, and Volume.

OTHER MARKETS section with sub-sections for Canada firm and BRUSSELS.

Indices

NEW YORK - DOW JONES

Table showing Dow Jones index components: Industrial, Transport, Utilities, and Total.

Table showing Standard and Poors index components: Industrial, Composite, and Long Gov. Bond Yield.

Y.N.Y. ALL COMMON

Table showing Y.N.Y. All Common index components: Mar. 15, Mar. 14, Mar. 13, Mar. 12, Mar. 11, Mar. 10, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1.

MONTREAL

Table showing Montreal index components: Industrial, Composite, and Long Gov. Bond Yield.

TORONTO Composite

Table showing Toronto Composite index components: Industrial, Composite, and Long Gov. Bond Yield.

JOHANNESBURG

Table showing Johannesburg index components: Industrial, Composite, and Long Gov. Bond Yield.

Australia

Table showing Australia index components: Industrial, Composite, and Long Gov. Bond Yield.

Germany

Table showing Germany index components: Industrial, Composite, and Long Gov. Bond Yield.

Japan

Table showing Japan index components: Industrial, Composite, and Long Gov. Bond Yield.

Singapore

Table showing Singapore index components: Industrial, Composite, and Long Gov. Bond Yield.

OVERSEAS SHARE INFORMATION

NEW YORK

Large table listing various New York stock prices and changes.

CANADA

Large table listing various Canadian stock prices and changes.

AMSTERDAM

Large table listing various Amsterdam stock prices and changes.

TOKYO

Large table listing various Tokyo stock prices and changes.

AUSTRALIA

Large table listing various Australian stock prices and changes.

BRUSSELS/LUXEMBOURG, PARIS, STOCKHOLM, COPENHAGEN, VIENNA, MILAN, SWITZERLAND, SPAIN, and other international market sections.

More EEC sugar to be exported

BRUSSELS, March 16. COMMON MARKET producers of a further 145,000 tonnes of sugar for sale from its intervention stocks...

Big boost in U.K. sheep and wool guarantees

BY PETER BULLEN. FARMERS LEADERS welcomed a big boost in the guarantee prices for sheep and wool announced by the Government yesterday.

Stockpile rumours hit tin

By John Edwards, Commodities Editor. TIN PRICES fell sharply on the London Metal Exchange after a Reuters report from Washington that an unofficial U.S. Government study had urged the Carter Administration to back the Bill for Congress to authorise sales of 30,000 tons of tin from the strategic stockpile.

Monsoon crucial for food output

BY K. K. SHARMA, NEW DELHI CORRESPONDENT. INDIA'S AGRICULTURAL dependence on the erratic monsoon becomes clear from the summer crop of 1977 was relatively poor. Food grain production was more than 7m. tonnes below the record output of 74m. tonnes in the previous year mainly because of drought in the growing States like Tamil Nadu, Orissa, Karnataka and Andhra and scanty rain in many other parts of the country.

Ombo tea prices fall

COLOMBO, March 16. TEA PRICES, which have spectacularly for the week, fell to Rs.2 per kilo Colombo tea sale held week's 19 per cent upvaluation of the Sri Lanka tea.

Hope for EEC farm price deal

BY ROBIN REEVES. THERE IS a 50-50 chance that Common Market Agricultural Ministers will succeed in hammering out agreement on the 1977-78 farm prices package when they resume negotiations here at the end of next week.

Downturn in coffee and cocoa prices

By Richard Mooney. COFFEE AND cocoa prices ended sharply lower on the London commodity markets yesterday following a four-day run of successive rises. In the absence of any significant fundamental news the falls were generally attributed to profit-taking.

Reserves

Because of the scanty rain, the current rabi (to be harvested from the end of March) is expected to be less than last year's 42m. tonnes. Yet the Government expects to add to food stocks by at least another 5m. tonnes, which is another reason why the country's purchasing power of the bulk of the population.

Drought hits Chinese wheat output

HONG KONG, March 16. SEVERE DROUGHT has hit important wheat-producing areas in China and could seriously affect the summer harvest. The New China News Agency reported today.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Metals, Rubber, and other commodities. Includes prices for Tin, Copper, and various grades of rubber.

SOYABEAN MEAL

Table showing prices for Soyabean Meal in various grades and origins.

SUGAR

Table showing prices for various types of sugar, including London Daily White and Cane Sugar.

JUTE

Table showing prices for different grades of jute.

WOOL FUTURES

Table showing prices for wool futures contracts.

COFFEE

Table showing prices for different grades of coffee.

SILVER

Table showing prices for silver.

GRAINS

Table showing prices for various grains like wheat, barley, and maize.

MEAT/VEGETABLES

Table showing prices for meat and vegetables.

PRICE CHANGES

Table showing price changes for various commodities.

U.S. Markets

Table showing prices for soybeans and oil in the U.S. market.

FINANCIAL TIMES

Table showing financial data and indices.

REUTERS

Table showing Reuters market data.

DOW JONES

Table showing Dow Jones index data.

MOODY'S

Table showing Moody's credit ratings.

Complete Commodity Service advertisement. Text: 'risks (and possible rewards) in trading commodity futures today are greater than ever and it is important that those involved get informed daily, if not hourly, of prices background news.'

C.S.T. Commodities Ltd advertisement. Text: 'Walsingham House, 35-37 Seething Lane, London EC3N 4AH'.

COFFEE UP 25% IN ONE YEAR advertisement. Text: 'investors in 21 different countries subscribe to our commodity service'.

PERSONAL advertisement. Text: 'OVER 40,000 SCHOOLS AND EDUCATIONAL ESTABLISHMENTS can be reached by mail'.

Advertisement for a commodity service, similar to the one on the left.

Advertisement for C.S.T. Commodities Ltd, similar to the one on the left.

Advertisement for COFFEE UP 25% IN ONE YEAR, similar to the one on the left.

Advertisement for PERSONAL, similar to the one on the left.

U.S. commodity policy review planned advertisement. Text: 'WASHINGTON, March 16. THE SENATE subcommittee on foreign economic policy plans to call Administration witnesses to testify on the Government's apparent new policy on international commodity agreements'.



AUTHORISED UNIT TRUSTS OFFSHORE AND OVERSEAS FUNDS

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Main table listing various unit trusts and overseas funds with columns for fund names, managers, and performance metrics.

BASE LENDING RATES table listing interest rates for various banks and financial institutions.

LEADERS AND LAGGARDS table showing percentage changes for various market indices and sectors.

INSURANCE, PROPERTY, BONDS section containing detailed listings for various insurance and investment products.

INSURANCE BASE RATES table listing base rates for different types of insurance policies.

NOTES section providing additional information and disclaimers regarding the data presented.

INSURANCE BASE RATES

Summary table of insurance base rates for Property Growth, Cannon Assurance, and other categories.

CORAL INDEX Code 128-132

Manchester Business School Management Course "Probably the finest short course in the world" THE FINANCIAL TIMES

FT SHARE INFORMATION SERVICE

Table of British Funds, including sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', 'Over Fifteen Years', and 'Updated'.

Table of Canadian Stocks, listing various companies and their share prices.

Table of Building Industry - Continued, listing construction-related companies and their share prices.

Table of Drapery and Stores - Continued, listing retail and clothing companies and their share prices.

Table of Engineering - Continued, listing engineering and technology companies and their share prices.

Table of Electrical and Radio, listing electronics and communication companies and their share prices.

INTERNATIONAL BANK, CORPORATION LOANS, COMMONWEALTH & AFRICAN LOANS, FOREIGN BONDS & RAILS, AMERICANS

BEERS, WINES AND SPIRITS, BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS, CINEMAS, THEATRES AND TV, DRAPERY AND STORES

ENGINEERING, MACHINE TOOLS, FOOD, GROCERIES, ETC.

HOTELS AND CATERERS, INDUSTRIALS (Miscellaneous)

Handwritten note: Buy 1000



INDUSTRIALS - Continued. Table listing various industrial stocks with columns for Stock, Price, and other financial metrics.

MOTORS, AIRCRAFT TRADES. Table listing motor and aircraft related stocks with columns for Stock, Price, and other financial metrics.

PROPERTY - Continued. Table listing property-related stocks with columns for Stock, Price, and other financial metrics.

TRUSTS - Continued. Table listing trust-related stocks with columns for Stock, Price, and other financial metrics.

TRUSTS - Continued. Table listing trust-related stocks with columns for Stock, Price, and other financial metrics.

SANYO SECURITIES CO. LTD. Logo and contact information for the company.

MINES - Continued. Table listing various mining stocks with columns for Stock, Price, and other financial metrics.

AUSTRALIAN. Table listing Australian stocks with columns for Stock, Price, and other financial metrics.

COPPER. Table listing copper-related stocks with columns for Stock, Price, and other financial metrics.

MISCELLANEOUS. Table listing miscellaneous stocks with columns for Stock, Price, and other financial metrics.

NOTES. A section containing various financial notes, announcements, and company news.

Recent Issues and Rights Page 38. Information regarding recent stock issues and rights.

REGIONAL MARKETS. Table listing regional market data for various countries and regions.

OPTIONS 3-month Call rates. Table listing options and 3-month call rates.

Additional financial information and notes at the bottom of the page.

